CREDIT

and Financial Management

February 1945

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A Production View of the Postwar Era

Harvard University Study Warns of Aircraft Credits

Veterans Administration Tells of G-I Loans

Credit and Collection Data on Latin American Nations

Which is Best for Tax Purposes, a Partnership or a Corporation?

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Credit Men's Fraternity

Planning for the post war period is not a theory with the Credit Men's Fraternity. This very worthwhile organization is all set to do its job. That it will do it no one doubts. How could anyone question its ability in view of its record. Here is the record that contributes a challenge to every professional organization in the United States.

The Credit Men's Fraternity, Inc., like most worthwhile movements, began with no more than an idea. Broadly, the idea was that each profession should endeavor to take care of its own unemployed. The Credit Fraternity reasoned that it should find jobs for unemployed credit executives and when necessary tide over the unemployed members of its profession until jobs could be found. It didn't refer its unemployed to the Government; it didn't assume jobs could not be found, but it did plan a course of action. With what result?

In a five-year period it actually placed 500 unemployed credit executives in jobs. It tided over some seventy unemployed credit men awaiting jobs, all of whom were eventually put into productive work. It expended $10,000 for this purpose.

The whole organization was on a voluntary, non-profit basis. It was a service of which every member of the Credit Fraternity should be proud.

Today it is ready and prepared to spring into action to help G.I. Joe credit executives get back to civil jobs when they return from overseas. It has the organization, the finances and the ability to do just that.

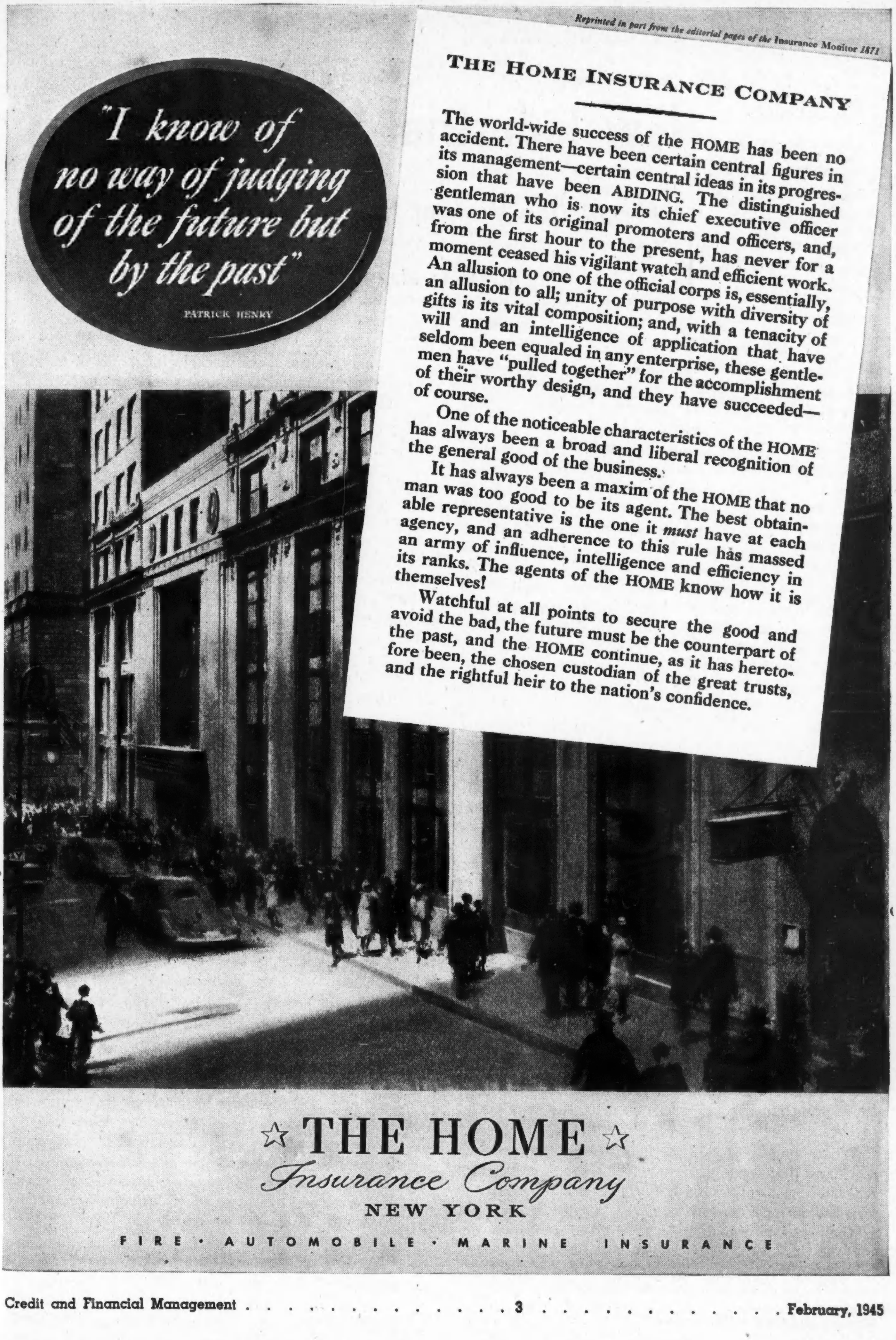
Here surely is an activity that is deserving of the commendation and support of every member of the profession. We congratulate the officers of the Credit Men's Fraternity, Inc. We particularly congratulate Mr. Henry Meckauer, who so generously contributed his time and money to the direction of this organization.

The Credit Fraternity assumes the responsibility for the unemployed credit executives in the metropolitan area of New York. It has blazed the trail in this wonderful work.

May Credit Fraternities spring up throughout the United States and may other professions follow the example of a small group of courageous credit men who had such lofty ideals as to make possible such a worthwhile enterprise.

Henry H. Heimann

Henry H. Heimann
Executive Manager


"I know of no way of judging of the future but by the past"
PATRICK HENRY
Reprinted in part from the editorial pages of the Insurance Monitor 1871
THE HOME INSURANCE COMPANY
The world-wide success of the HOME has been no accident. There have been certain central figures in its management—certain central ideas in its progression that have been ABIDING. The distinguished gentleman who is now its chief executive officer was one of its original promoters and officers, and, from the first hour to the present, has never for a moment ceased his vigilant watch and efficient work. An allusion to one of the official corps is, essentially, an allusion to all; unity of purpose with diversity of gifts is its vital composition; and, with a tenacity of will and an intelligence of application that have seldom been equaled in any enterprise, these gentlemen have "pulled together" for the accomplishment of their worthy design, and they have succeeded—of course.
One of the noticeable characteristics of the HOME has always been a broad and liberal recognition of the general good of the business.
It has always been a maxim of the HOME that no man was too good to be its agent. The best obtainable representative is the one it *must* have at each agency, and an adherence to this rule has massed an army of influence, intelligence and efficiency in its ranks. The agents of the HOME know how it is themselves!
Watchful at all points to secure the good and avoid the bad, the future must be the counterpart of the past, and the HOME continue, as it has heretofore been, the chosen custodian of the great trusts, and the rightful heir to the nation's confidence.
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New Industrial Horizons

A Production View of the Postwar Era

By ALFRED M. STAEHLE,
Vice President, McGraw Hill Publishing Co., Inc., New York, New York*

The war has made us understand this simple truth: That the attainment of a national objective can be no greater than the collective achievements of small groups of individuals.

We recall Churchill's words in speaking of the dauntless British airmen who so bravely defended England in 1940: "Never have so many owed so much to so few." That is really the great lesson the war has taught us. Small groups of people are winning this war—small groups of airmen disrupting a vital communication center; small groups of men in PT boats paving the way for naval victories; small groups of parachute troops clinging to vital positions; small groups of army engineers building bridges—all doing their jobs so that the entire offensive strategy may succeed.. In civilian life it is the same story—small groups of people organizing blood banks and thereby saving countless lives; small groups of businessmen in Washington doing a marvelous job of organizing the industrial war effort; even small manufacturers making vital components without which our great war effort might fail.

It is so very important that we never lose sight of this simple truth as we contemplate the peacetime job ahead. For whatever future world we shall build, it will again be the result of the combined effort of small groups. This is a small group. Let us consider our special obligation toward the future.

Let us waste no time discussing what others should do; what the government should do; what labor should do; what this and that group should do. There is too much talk of what others should do. Every serious-minded business man today wants to know what's ahead for him and what his part should be.

What Are Our Objectives?

Our job is difficult and perplexing. Our chief problem is to try to see clearly what our objectives should be. We are puzzled by great uncertainties which tend to becloud our purpose.

What about post-war markets? We know on the one hand that when government spending drops from $90 billion to around $25 billion that will represent the swiftest disappearance of a market in all history. Yet we believe that the backlog of unfilled consumer demand may well produce markets for goods of all kinds beyond anything we have known heretofore.

What about jobs? We understand that we must employ at least 55 million people—10 million more than we ever employed in any peacetime year. And yet we know that between now and the post-war period at least 15 million people—nearly twice the number of people who worked in all our factories before the war—will be hunting jobs they don't now occupy. The greatest job hunt in all our history is in the making.

What about future economy? There are certainly grounds for speculation as to whether we shall emerge with what we have called the American system of free enterprise or whether we are drifting gradually, or rapidly, toward some form of nationalized industry.

This is the atmosphere of uncertainty in which we must plan. What fundamentals can we cling to on which to base our planning?

The Record of American Industry

It is said that the past is but a prologue for the future. So let us examine the record of American industry to see what guidance we may find there. It shows us some very plain facts.

In the short period from 1920 to 1940—and that is a very short period in history—this happened:

We increased the output per manhour in manufacturing industries by 116 per cent.

We increased the production of industrial goods by 60 per cent.

We reduced the price of industrial goods by 49 per cent.

Average hourly earnings rose about 40 per cent.

And in the process we increased the total employment in Amercia by 4 million people.

Within that period, such as the following took place:

We reduced the prices of industrial goods by 49 and increased the annual sales from 1.3 million sets to 13.7 million sets.

We reduced the price of mechanical refrigerators from $550 to $155 and in the process increased the annual sales from 5000 machines to 3½ million.

We reduced the price of oil burners from $735 to $333 and increased the annual sales from 75,000 to 321,000 units.

And we did the same thing with thousands of other products.

*An address given before the Materials Handling Machinery Manufacturers Conference held by Westinghouse Electric and Manufacturing Company at East Pittsburgh, Pa.

There is a short story that packs a terrific wallop. That's the way we made jobs in the past and that's the way we must make jobs in the future. But we have to do better than merely make 4 million new jobs in 20 years. We have to make 10 million new jobs—and fast. The new jobs, the highest standard of living in the world, the highest wage rates in the world—have been attained in America by the process of constantly producing more and more goods per man-hour. But that job has not been done by labor. It has been done for labor. It has not been done by workers sweating harder. It has been done by American management, through the process of constantly improving methods of manufacture. It has been done by sound engineering. It has been done by selling modern methods. It has been done by aggressive merchandising and by sound advertising.

Above all, it was done by American faith and ingenuity. And that's what we are going to need more and more of if we are to build the future we want.

The great markets which we shall so urgently need in the future will not be reached through any other process than by attaining lower and lower prices through better and better manufacturing and merchandising. Is there anything in our industrial history that points to a better way to create markets and jobs?

Most of us, I am sure, are in agreement on this simple fundamental. But—and it's a big BUT—I am not sure we all realize just what a terrific job lies ahead.

Only a Few Know Job Process

To begin with, there are not enough people who fully understand this process of making jobs. And I am not speaking of New Dealers alone, either.

Let me read you a startling quotation from a speech recently made by a prominent manufacturer at an engineering society meeting within the past month:

> "So intense has been the preoccupation of management with the cutting of costs and improvement of production methods that the margin of improvement in these categories has been drastically reduced. If, therefore, our economy demands that a great extension of our standard of living be made, we must look to other factors which will make this possible."

I repeat for emphasis these words: "We must look to other factors"—and he says "because the margin of improvement . . . has been drastically reduced."

Not so long ago, a sales manager of one of our large companies said that he felt the day of the production man was passed and that from now on all the gains would have to be made in the field of distribution.

Why, the day of the production man has just started! And so far as the margin of improvement having been drastically reduced—that just isn't true, as I shall try to demonstrate later on

Along with these wrong notions, there is another one just as misleading and dangerous because it tends to lull us into complacency. It was stated two weeks ago on a national radio hookup—again by one of our most prominent business men: "There has been a tremendous increase in the productivity of the American worker." The notion that there has been a great increase in the productivity of the American worker during the war, which will be transferred promptly to the manufacture of peacetime goods, is at best questionable, if not wholly inaccurate. To be sure, we have made great strides in reducing man-hours needed to produce war items as we attained mass production. For example, in a typical four-engine bomber plant, 200,000 man-hours were required to produce the first bomber, but only 87,500 man-hours were needed to produce the 100th bomber—and by the time the 2000th bomber was produced, it took only 13,000 man-hours. And that story is true over and over in the manufacture of war items. *But does it prove that we have increased the productivity of the worker in the manufacture of peacetime goods?*

Our Postwar Highways

Hal H. Hale, executive secretary of the American Association of State Highway Officials, declared late in January that highway projects now "on the boards" would require about eight and a quarter billions of dollars. Thomas H. MacDonald of the Public Roads Administration estimates it will require two and a half billions a year for three years to bring the country up to date on repair, maintenance and construction of vital highways.

Does War Record Help?

In this connection, I want to quote from a letter recently received from an informed individual in one of our largest manufacturing plants in Detroit:

> "I believe there has been very little improvement in the war period which contributes to our knowledge of the actual methods of production. The improvement has all been in terms of the application of known production methods to items formerly produced on a job shop basis. This all means that when we go back to peacetime production of items that were previously produced on a mass production basis for many years, such as motor vehicles and household equipment, we will be faced with a decreased labor efficiency in terms of individual effort. In other words, the recent increased efficiency in aircraft engine production which is merely a result of taking over automotive processes that have been known for many years will make no contribution to more efficient automobile production while the lower level of labor effort will tend to actually reduce the efficiency of automobile production in the post-war period."

And he goes on still further to say:

> "I feel quite sure that both the big trade union groups will continue their present practices of attempting to hamper even the existing levels of efficiency."

As a matter of fact, statistical data, produced by the Department of Labor in sampling some 28 manufacturing industries which manufacture virtually the same

products during peace or war, indicate that the normal increase in productivity per man-hour has been *retarded* during the war rather than *accelerated*.

Both of these generalities that are being so loosely bandied about are dangerous to the concept of the job ahead. They lead us to assume that there isn't much that we need to do or that we can do to improve industrial efficiency.

Now let's get to another reality.

Confusion as to Future

Although we know that post-war markets will have to be built on lower-priced goods, every day we hear about how much higher the prices of post-war goods are going to be. Automobiles, it has been said, are to cost 25 to 40 per cent more in the post-war period than the same models cost in the pre-war period. The same story is being told about many other consumer goods. We are confused further by declarations that prices will not be allowed to rise—at least, not much. There are no facts by which we can now say with any assurance what post-war prices will be. But we do know that all the factors which make prices are rising. We know also that no price control system can force anybody to make or sell goods at a loss. And history records that within *two years* after the last war, prices of industrial goods rose 29 per cent.

So there is nothing very encouraging at this moment in the price picture, no matter what you think will happen to controls.

Now what about labor costs? We can start with this solid fact. Since 1939 to July, 1944, according to official records of the Department of Labor, average hourly wage rates have risen from 63.3 cents to $1.01. That's an increase of nearly 60 per cent and the war isn't over. Nor are wage increases over. Now what are the chances of getting labor costs down after the war? They are exactly nil! In fact, if I may be permitted a prediction, it is this: *That we shall look back five years hence and wonder how we ever managed to have such low wage rates as we have today!*

I am neither clairvoyant nor crazy in hazarding this guess. All I am doing is "looking at the record."

What of Wage Rates?

In 100 years of American labor history, the hourly wage rate has increased approximately ten times! Never in the history of American labor has the wage level (hourly wage rates), once it has reached a new high, dropped back—except very temporarily, and then in very small percentages. In those 100 years, there were only three times when wage rates dropped more than one year in a row, and then with one exception, they never dropped more than 5 per cent. During the Civil War, hourly wage rates rose 45 per cent; during the first World War, they rose 62 per cent.

But watch what happens after wars. Five years after the Civil War, hourly wage rates were 15.5 per cent higher than at the close of the war; and five years after World War I they were 34.2 per cent higher than at the close of the war. So would it be a great stretch of imagination five years after this war to see hourly wage rates 25 per cent higher than they are today?

As a matter of fact, we recognize that labor is perhaps more important in our economy as a consumer of products than as a producer. It will be easier in the post-war period to find workers than it will be to find buyers! There is nothing economically undesirable about high wage rates—so long as high productivity follows.

Therefore, it seems clear that the task ahead to create these large hoped-for post-war markets through the process of getting prices of consumer goods down is not one to contemplate with complacency. Neither is it necessary to contemplate the job with pessimism. The opportunities are great.

Three Periods Ahead

In defining the period ahead, I should like to adopt a definition or, rather, an analysis of the post-war period, which was very interestingly made recently by Mr. L. R. Jackson, Executive Vice President of the Firestone Tire & Rubber Company, before a meeting of the American Society of Mechanical Engineers. He said:

"I like to think of three periods:

"The first period—the reconversion period.

"The second period—the catching-up-with-demand period.

"The third period—which we hope will be a self-sustaining period with high level of production based on current demand."

So let us consider these three periods. The reconversion period, although it comes first, is the most difficult of all to predict. Some Washington authorities who have given much study to this particular problem feel that this period will be of relatively short duration, possibly three to five months, and that the impact will not be as great on a national basis as some fear. They feel that unless a fear psychology grips the people, through over-dramatization of such affairs as the closing of the Brewster plant, we shall pass through this period relatively smoothly. The big questions that no one can answer now are: When will the war in Europe end? How soon will that be to the end of the Japanese war? Certainly the prolonged outlook for the war in Europe with the greater demand of armaments and the slowing up of reconversion may tend to make this period more abrupt than it appeared some months ago.

The second period, the catching-up-with-demand period, should be an unusually prosperous period for manufacturers of materials handling equipment. In this period, there will be tremendous forces working favorably toward the adoption of labor-saving machinery and equipment.

In the first place, high hourly wage rates will greatly stimulate materials handling equipment sales.

A Bar to Cost Production

But I believe there will be an even more powerful stimulant to the installation of labor-saving equipment in this period, and that will be provided by the almost certain elimination of the excess profits tax. During the war period, there hasn't been a great incentive to cut costs. But with the elimination of the excess profits tax, a dollar saved may amount to say 70 cents rather

than only 10 cents (depending on taxes)—and industry will tackle cost reduction with a vengeance.

Lionel Edie, one of America's leading economists, recently issued a bulletin in which he said:

"Mechanization of plant equipment is the only answer to the high hourly wage and weekly wage rates which will prevail after the war. . . . This trend toward mechanization will culminate in a great boom in the production of labor-saving machinery of all kinds. The whole phenomenon will extend over a period of three to five years. The scope and ramifications of labor-saving ideas are unlimited. American industry is being driven into a cycle of intensive demand for devices which will substitute for labor and will cut the labor cost per unit of output. Even progressive companies which have hitherto prided themselves on leadership in technology will regard past accomplishments as obsolete and will push on to more advanced stages of the machine age."

But how much of a job can still be done in improving industrial efficiency? Here are some facts about the coal industry which are pertinent. In 1910 we produced about 3½ tons of coal per man per shift. Through improved methods and machines, we are now producing about 5¼ tons of coal per man, or just about 50 per cent more coal for every man working in the industry. But these are the average figures for the entire industry. Modern mines are producing more than 20 tons of coal per man—four times the industry average. But even that doesn't tell all the story. It has been demonstrated in a few mines, where modern machines and methods have been employed under ideal conditions, that as high as 50 tons of coal per man can be mined!

Record in the Mining Industry

Now why is the industry average so much lower than the attainable ideal? There are, no doubt, many reasons—but one reason is of particular interest to manufacturers of materials handling equipment. As you know, mechanical loading has greatly stimulated mechanized mining. But the editor of *Coal Age* tells me that not more than 10 per cent of the loading machines and similar equipment in this industry are used to their practical capacity. The reasons are that other equipment in the mine, such as cutting machines or mine cars, as well as mining methods, such as shooting and drilling, are not properly engineered to the materials handling equipment. Therefore, while handling costs have frequently been greatly reduced, the entire mining operation has not been made thoroughly efficient because the entire installation was not properly engineered.

In that story, there is a sermon. First, it forcefully illustrates the tremendous savings possible in this industry—but it also illustrates the challenge to manufacturers of labor-saving machinery. That challenge is not alone to install handling equipment to lower handling costs but to utilize fully the opportunities to reduce over-all cost—by engineering and handling equipment to the production equipment—or *vice versa*.

This story may or may not be wholly typical of industry as a whole. But I am sure that it is not an isolated example. What opportunities are there in the manufacturing industries?

For some time, the staff of *Factory* has been conducting a continuing study to find out what modernization plans industrial plants are making in the post-war period. The study has been conducted on a personal interview basis, with representatives of *Factory* exploring with operating executives what steps could be taken in that plant to reduce operating costs or to improve product quality. So far, we have pursued this inquiry in more than 250 representative plants throughout the manufacturing industries.

Much Room for Improvement

Among the many questions we asked, there was this one: "In the post-war period, do you believe that improvements either in the quality of your product or in lowering manufacturing costs could be made by the installation of new or modern *production equipment?* (We defined production equipment as "machine tools, looms, rolling mills, or whatever major production machinery you use for your work.") We specifically asked the respondent to answer the question in one of these three ways:

1. Substantial improvement could be made.
2. Some improvement could be made.
3. No substantial improvement could be made.

Remember, before I give you the answers, that there are some who believe that the day of the production man is largely passed and that the "margin of improvement has been drastically reduced."

The answers came out this way: 45 per cent answered that *substantial* improvement could be made! Those who believed that some improvement could be made added another 51 per cent—so only 4 per cent of all the plants interviewed felt that no improvement could be made by the installation of new production equipment. Who says our job is finished? Certainly not the hard-headed production men who know what can be done in their own plants!

If you think that is surprising, I can still give you one that is even more amazing. Some of you may have heard of the poll that was conducted for *Factory* by the Opinion Research Corporation to find out what the 17,000,000 workers in American industry think about such things as post-war jobs, unions, management, and foremen. It is possibly the most serious effort made to date to find out what the worker really thinks. Among other questions we asked the worker how good a job he felt his company was doing to keep down manufacturing costs. Only 48 per cent thought their companies were doing a good job; 21 per cent thought the job was average; 9 per cent thought the job was poor; and 22 per cent had no opinion. You can take your pick as to what the workers' opinion on this subject is worth—but you can hardly conclude that the workers of America's industrial plants see no further opportunity for increasing industrial efficiency!

A Study in Transportation

One more example of this kind. I asked the editors of *Factory* to tabulate for me the last ten process

(*Continued on page* 18)

Credit Problems in Aircraft Industry

Harvard Study Points to Conversion Difficulties

Postwar development and employment in the aircraft industry will be seriously impeded unless industry and government make coordinated preparations for orderly and prompt conversion to peacetime production, states a Harvard Business School study recently issued.

Using projected financial statements of ten leading airframe manufacturers for the years 1945 and 1946, and assuming for the purposes of the study that large-scale aircraft production will cease in December, 1945, Professor Tom Lilley and Instructor L. LaVerne Horton analyze the financial problems of conversion and make these over-all conclusions:

"1. The average airframe manufacturer will be able to survive the immediate postwar adjustment period with a reasonably satisfactory financial position if these conditions are met:

(a) If contract terminations are administered with a reasonableness which is consistent with the broad policies set forth in the Contract Termination Act of 1944;

(b) If the company sets up its own administrative organization to handle terminations properly, concentrating prior to the end of the war on effective inventory management;

(c) If the management curtails expenses realistically and rapidly.

"The progress made during the last year in planning for contract terminations and conversion affords some grounds for optimism that these conditions may be fulfilled.

Risks to Be Faced

"2. The risk is great, however, that uncertainties and delays during the conversion period will unnecessarily impede the constructive developmental work required to promote maximum peacetime production. In order to eliminate confusion and unnecessary curtailment during conversion, the following steps are suggested:

(a) Uncertainties regarding contract termination procedures can be reduced by a concerted effort on the part of industry and government organizations to preplan the methods, standards, and bases for making quick termination settlements well in advance of large-scale terminations.

(b) Uncertainties regarding the loss carry-back provision of the tax law can be reduced by adoption of a Treasury proposal to accelerate payments of loss carry-back refunds.

(c) Uncertainties regarding future aircraft production and development can be reduced by making every effort to determine future national air-power policies in advance of the end of the war."

"Entirely apart from termination and tax problems, the basic question facing each aircraft manufacturer is: conversion into what? The answer will be vitally affected by the postwar aviation policies adopted by the government, including policies for Army-Navy procurement, plant and equipment disposal, surplus aircraft disposal, and Civil Aeronautics Board certification of new transport routes."

More Planning Necessary

Though industry and government are giving increasing attention to conversion, much of the detailed planning necessary for an orderly transition remains to be done, the report states:

"During the past year, industry and government leaders have given increasing recognition to the vital importance of an orderly conversion of the aircraft industry to peacetime operations. The influence which orderly and prompt contract termination settlements will have on postwar levels of employment in the major aircraft production centers of the country is generally recognized. Increasing attention is being paid to the importance of keeping alive aeronautical development work and a nucleus of production facilities and skills at the time when large-scale wartime contracts are being canceled. Recognition is given to the effect on our national air power of continued develpment, not merely in military aircraft, but in transports which must compete in world markets.

"Despite this increasing recognition of the importance of an orderly conversion, many problems remain to be solved. Any forecast of the effect which the transition from war to peacetime production will have on the financial position of the aircraft manufacturers is extremely difficult to make, for much of the detailed planning necessary for an orderly transition remains to be done. A danger still exists that the lack of coordinated industry and government preparations and the sheer mechanics of contract termination procedures will so delay conversion that future employment and development will be harmed."

Two Statements Considered

On the assumption that war production ceases in December, 1945, two projected financial statements as of December 31, 1946, are presented in the study, one optimistic and one "out-of-cash." The two forecasts differ only in their assumptions regarding the magni-

tude of contract termination losses and the magnitude of the unreimbursed expenditures the companies must absorb in the immediate postwar period.

"Based on favorable assumptions, it is estimated that net termination losses (for the average airframe manufacturer) would be about $1,100,000, or 1 per cent of total inventories and that unreimbursed expenditures in 1946 would be $11,200,000, or 2 per cent of war peak annual expenses. In spite of these cash outlays, profits retained during 1944 and 1945 and the conversion of the postwar tax refund into cash could increase net working capital from the December, 1943, level of $18,100,000 to $23,600,000 in December, 1946. This working capital should be sufficient to meet reasonable contingencies and, if no further decreases occur, to finance adequately postwar sales at a level equal to 10 per cent of war peak sales. In addition, if the loss carry-back provision of the tax law remains in effect, tax refund claims would be about $9,600,000. Under the present law, however, these claims cannot be considered as a current asset because they are not likely to be converted into cash until several years hence.

First Postwar Year Important

"If unreimbursed expenditures during the first postwar year reached a level of $29,000,000, equivalent to less than three weeks' expenses at the early 1944 rate, all the average company's cash would be eliminated, even though termination settlement losses remained at the assumed $1,100,000 optimistic level. Or if unreimbursed expenditures remained at the optimistic level, all cash would be eliminated by termination losses of $18,900,000, or 17 per cent of total inventories. Under either set of assumptions, net working capital would decrease to $5,800,000, and the company would face a serious threat of insolvency. The chances of obtaining bank credit would probably be remote, in spite of large loss carry-back and other tax claims."

"The basic variables which may either increase or decrease the ability of all the companies to absorb conversion losses and expenditures are as follows: (a) the level of cash profits retained from wartime operations; (b) the extent to which future termination and operating losses can be offset against current tax liabilities—this will be influenced by the gradualness with which war contracts are canceled and by the timing of large-scale cancellations relative to the fiscal year of the companies; (c) the rapidity with which postwar tax refunds may be converted into cash and the extent to which current tax liabilities can be reduced by allowable accelerated amortization of fixed assets; (d) the extent of liquidation of current assets and liabilities from war peak levels; (e) the rapidity with which termination settlements are made and the extent of interim financing of termination claims available to the companies."

Termination Plans Important

"In preparing for large-scale contract terminations, the companies clearly have these responsibilities:

(a) Constant pressure should be exercised to improve the control of inventories, to clean out obsolete and surplus items, and to improve the records kept.

(b) The cmpanies' administrative organizations to handle terminations should be placed under the leadership of a top executive and should be set in action to handle current terminations and to plan for the larger terminations of the future.

(c) In pre-planning for terminations, the companies have the obligation, not only to cooperate fully with the government and with subcontractors, but to take the initiative in making plans and presenting them to the proper officials.

"Likewise, the government has important responsibilities: (a) Within the framework of the broad policies of the Contract Settlement Act, the government must work out detailed regulations under which large-scale terminations will be administered. (b) An administrative organization, competent to accept responsibility and to understand realistically the problems involved, must be carefully trained and placed in the field in time to work out detailed plans with the individual companies in advance of large-scale cancellations. (c) The men in local field organizations must be given the maximum encouragement to pre-plan detailed procedures with individual companies."

"Probably the most important single difficulty of the conversion period will be the curtailment of expenditures from wartime levels to drastically reduced peacetime levels."

"The magnitude of unreimbursed 'momentum' expenses which the average airframe company must absorb during the immediate postwar period will depend on three major variables: (a) the ability and willingness of the company's management to curtail expenses; (b) the extent of advance notice of contract terminations given by the government; (c) the extent to which post-termination expenses are reimbursed by the government."

Senate Passes Insurance Moratorium

The Senate passed on January 25th, the McCarran-Ferguson Bill which grants a moratorium until 1947 to the insurance business against the regulations of the Sherman Anti-Trust law and until 1948 against the regulations of the Clayton Act.

When the U. S. Supreme Court handed down its decision that the insurance business is interstate commerce and subject to the regulations of the Sherman and Clayton Acts, our National Insurance Committee urged NACM members to contact their Senators and Representatives and urge the passage of a law exempting insurance from the anti-trust laws and leaving all insurance transactions under the regulation of the several State insurance laws.

The McCarran-Ferguson bill now goes to the House for further action.

Veterans Administration Instructs Soldiers on G-I Loans

The Veterans Administration in Washington has at last issued definite information on the so-called G-I loans. The impression had spread abroad that the returning Service Men would be given a handout by Uncle Sam in the amount of $2,000 if they desired to go into business or wished to purchase a home or buy a farm. However, in a leaflet entitled "Questions and Answers About Title II Loan Guaranty," the Veterans Administration gives the following quite definite warning to the Service Men.

> "It seems advisable here to caution veterans that a loan guaranteed under this act is not a gift. It must be repaid; therefore, every precaution should be exercised to make sure that it will be a benefit and not a burden to the borrower."

As an introduction to the Question and Answer pamphlet the Veteran's Administration presents the following:

> "The questions answered in this booklet are those most commonly asked in connection with the loan privileges allowed veterans under the Servicemen's Readjustment Act of 1944. They seek only to present the loan provisions of the act in their simplest and most generally applicable form.
>
> "The booklet is not a legal document and should not be interpreted as one; nor does it attempt to go into the details of any unusual problems which would require individual scrutiny before a decision could be reached."

Again the Veteran is warned as follows:

> "Nothing can take the place of careful scrutiny, investigation and sound business judgment in making any investment. Therefore the veteran should ascertain all the facts regarding his purchase and the obligations he is undertaking before committing himself."

The following is the list of Questions and Answers as given in the Veterans Administration pamphlet; they cover a number of points which will be of interest to credit men who have occasion to consider credits in which Title III Guaranty loans are involved:

1. Who may borrow money under the servicemen's readjustment act of 1944?

Any veteran who was in the active service, on or after Sept. 16, 1940, and before the end of the war as established by act of Congress, who served at least 90 days or was discharged for disability incurred in line of duty, and who was discharged under conditions other than dishonorable.

2. Where may money be borrowed under the act?

Money may be borrowed anywhere people normally go to secure loans, i.e., any bank, other lending agency or an individual who is capable of servicing the loan.

3. Will the Veterans Administration make these loans?

No. The Veterans Administration is not permitted to make loans. Within limits established by law, it may guarantee repayment of a portion of loans made to veterans.

In addition to this, the Veterans Administration will pay interest for the first year on the guaranteed part of the loan and the veteran is not required to repay such interest.

4. Just what does this guaranty cover?

The Veterans Administration may guarantee any part of an approved loan up to 50 per cent of the amount borrowed, but the total guaranty may not be for more than $2,000. This guaranty may be given on several loans made to the same veteran so long as the aggregate total of all amounts guaranteed does not exceed the $2,000 limit.

5. Is there any restriction on the use of this money?

Yes. Funds secured from a loan guaranteed by the Veterans Administration may be used only to purchase, build, repair, alter or improve a home to be occupied by the veteran, a farm or farm equipment to be operated by the veteran, or to purchase a business, business property or equipment to be used by the veteran for the purpose of earning a livelihood.

6. Are there any other limitations on the loans?

Yes. The interest charged on these loans may not be at a rate higher than 4 per cent a year, and the money must be repaid in a maximum of 20 years. Most of the loans, however, particularly those for business purposes will be for a much shorter time than the maximum. This is because a guaranty will not be given to extend beyond the useful life of the security.

7. What happens if the loan payments are not made?

That will depend largely upon the terms of the loan, the attitude of the lender, and the laws of the State in which the loan is made.

If payments are not made when due the loan becomes in default. The lender may then take such action

as is provided for in the loan agreement and is permitted under the laws of the State in which the loan was made and the Loan Guaranty Regulations.

8. What benefit does the veteran get from having the Veterans Administration guarantee the loan?

The guaranty of the Veterans Administration pledges the credit of the United States Government that not to exceed half the loan, with a maximum of $2,000, will be repaid. It, therefore, increases the security a veteran can offer a lender by the amount of the guaranty and correspondingly increases the amount he can borrow.

9. How is the loan made?

Most banks, savings and loan associations, and recognized lending agencies throughout the country already understand the procedures and will explain them. All offices of the Veterans Administration will be glad to discuss the details of the guaranty of loan with any veteran. If no office of the Veterans Administration is conveniently located the veteran may write to the office serving his state or to the Veterans Administration, Washington 25, D. C., and get detailed information.

In general the process is as follows:

The veteran first executes a form, called a Certification of Eligibility. In this he gives a summary of his service record, the amount of the loan and the purpose for which it is to be used. This is countersigned and submitted to the Veterans Administration by the lender.

This form is completed by the Veterans Administration with a certification that the veteran is eligible and the requested amount of guaranty credit has been reserved for the loan. It names an approved appraiser to evaluate the property and informs the lender where to submit an "application for guaranty."

The lender and the veteran then complete the application for guaranty and submit it together with normal credit information. This is checked and the Administration issues a guaranty of credit if the loan meets the requirements of the law.

10. Do rights to this guaranty extend indefinitely?

No. Any veteran wishing to secure a guaranty of loan from the Veterans Administration must make application within two years after discharge or after the end of the war, whichever is later. In no case may a loan be guaranteed later than five years after the end of the war.

11. Are there any charges for a guaranty of loan?

No. Commissions, brokerage or similar charges may not legally be assessed against a veteran for securing a guaranty of loan. Of course, those fees usually borne by a borrower, such as appraisal, title research and guaranty, transfer fees, etc., may be charged against the veteran.

12. Must a loan be secured by a lien?

Not invariably. Under most circumstances a lien will be required as security for a loan but there are a few conditions under which a loan may be unsecured.

13. May a loan be secured by a second mortgage?

A second mortgage may be accepted in cases where the first mortgage is made, guaranteed or insured by a Federal agency. Under such circumstances the amount of the second loan may be wholly guaranteed, provided it does not exceed 20 per cent of the purchase price of the property but in no event may it be greater than $2,000.

A second mortgage may also be accepted where a loan is being made to improve property which is already covered by a first mortgage and the repairs or improvements, will increase the value of the property sufficiently to justify the additional loan.

14. Are there any circumstances which permit the loan guaranty to exceed the $2,000 limit, or 50 percent of the face of a loan?

There are no circumstances which permit the guaranty to exceed the fixed limit of $2,000.

There are conditions under which an entire loan may be guaranteed, providing it is for not more than the $2,000 limitation. This is where a Federal agency has made or guaranteed or insured a loan and a second mortgage may be needed to complete the transaction.

The Veterans Administration may then guarantee the full amount of the second mortgage, providing:

(1) The amount involved is not in excess of $2,000.

(2) The loan is not in excess of 20 per cent of the entire purchase price.

(3) The rate of interest is not more than 1 per cent greater than that charged on the principal loan, and is not more than 4 per cent.

15. May a husband and wife each secure a guaranty of loans if both are veterans?

Yes. Every veteran who meets the requirements of the act is entitled to a guaranty of loan. A husband and wife may use their guaranty jointly or separately. If it is used jointly the maximum may not exceed 50 per cent of the face of the obligation or $4,000. They may not buy two separate houses, because of the requirement that the house be occupied by the veteran, unless they are actually and in fact living separate and apart.

16. May several veterans who are not related use the guaranty to acquire property jointly?

Yes. But the total amount guaranteed may not exceed 50 per cent of the loan or $2,000 to each veteran. The guaranty will be apportioned on the basis of the interest of each in the loan. Under no circumstances may it amount to more than half the face of the loan, except if the loan is made or guaranteed or insured by a Federal agency.

17. May a veteran purchase property with a nonveteran?

Yes. The guaranty in this case would apply only to the interest of the veteran in the loan, and may not exceed 50 per cent of his interest. Under no circumstances could it cover any part of the interest of a nonveteran.

18. May a guaranty be secured to retire an existing mort-

gage on a home owned and occupied by a veteran?

Not unless the existing mortgage has matured and is in default.

19. If a veteran pays off one loan that has been guaranteed may he secure a second guaranty?

No, but a veteran may have any number of loans guaranteed so long as the aggregate total amount of the original guaranty does not exceed the $2,000 limit.

20. May a veteran pay off a loan that has been guaranteed before it becomes due?

Yes.

21. Can a guaranty of loan be secured if the proceeds are to be used for a minor or person under legal disability?

Yes. This can be done if such a loan is legal under the State laws governing.

22. May widows or children of deceased veterans secure a guaranty of loan?

No. This privilege is limited to veterans themselves, but a loan guaranteed for a veteran may continue after his death.

23. Are the terms of the loan and time of repayment set?

The only statutory requirement of this nature is that the loan be repaid within 20 years. All other terms are arranged between the veteran and the lender, but must conform with the law and the regulations.

24. Must property used to secure a loan be covered by insurance?

It is customary for lenders to require insurance on buildings against which loans are made in order to protect themselves against loss of security. This also protects the veteran since it may provide funds to replace the loss.

Buildings used as security for loans which carry the guaranty of the Veterans Administration must be insured against fire, and other hazards against which it is customary to insure in the community.

25. If a loan is against a farm property must the veteran live on the farm?

No. But the law requires that he operate the property. He must, therefore, live near enough actually to supervise the farming.

26. Is there a limit on the size of a farm against which a loan can be guaranteed?

No. Since a farm loan is, to some extent, against anticipated operations, the property would normally have to be large enough to produce a profit.

27. May the proceeds of a loan be used to buy farming equipment?

Yes.

28. May funds from a guaranteed loan be used to pay operating expenses on a farm?

No. The act specifies the uses to which funds may be put under a guaranty of loan, and working funds are not included.

From Foxholes to Pitfalls

In a letter sent to every bank in the United States late in January, W. Randolph Burgess, president of the American Bankers Association, issued this warning: "Unfortunately there will be people ready to take the veteran and his money for a ride which has for its destination heartache, disillusionment, bitterness and debt. There will be people ready to sell him service stations, lunch counters, grocery stores and taverns, radio shops and tourist cabins, which never did and never could make a living for anyone. And there will be those who will urge the veteran to buy run-down farms, alkali land, and poor cattle. And there will be those who will offer him homes of flimsy construction and inflated value, at a time when homes are scarce."

29. Can a guaranty of loan be secured for the purchase of business property?

Yes.

30. May a veteran use the guaranty of loan to acquire an interest in a going business?

Yes. The law provides that the funds must be used in "pursuing a gainful occupation." This means the veteran would have to be active in the business.

31. Must a veteran have experience in business to get a guaranty of loan for business purposes?

The law provides that the Administrator of Veterans Affairs must find "that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation are such, that there is a reasonable likelihood he will be successful . . ."

32. Must a veteran put any of his own money into a business to get a guaranty of loan?

That is a question to be settled with the lender. It would only have a bearing on the guaranty of loan insofar as it might affect the possibility of his success in the venture.

For example, a veteran buying a taxicab which he will operate would ordinarily require no working capital. Should he buy a taxi business, operating a fleet of cabs, he will need sufficient money as a backlog to assure that the business will not be in immediate difficulty for lack of working capital.

33. May a loan be guaranteed for the purchase of inventory?

No. The act says the funds may be used for the purchase of "supplies," but it has been determined that supplies are articles normally used in the operation of a business and do not include items to be offered for sale.

34. May a guaranty be secured to buy an automobile?

Yes. But only if an automobile is necessary and is to be actually used in the conduct of a business or a farming operation.

A Selling Job for Credit Department

Postwar Business Calls for a United Team

By FRED H. BAUME,
Security Casualty Company, St. Paul

Certainly the functioning of Sales and Credit departments must be so that they dove-tail correctly and on a true basis of justice and equity.

The Credit Department should not be construed to be a big rock against which the customer must ram his head to ascertain whether he will continue to live or die.

This department to function properly must also be known as the "Business Service Department." In this capacity it has wonderful opportunities in taking the part of "life savers," or still better—to save failing merchants from total business ruin. This is accomplished by cautioning merchants at the proper time against causes contributing to delinquency such as inattention to business, indifference, extravagance and other faults of a similar nature, which can be termed defects of character.

Then comes the defects of capacity, known as laxness in credit, slow collections, overbuying and exorbitant overhead. These ailments together with slow turnover contribute to the defect of insufficient capital.

Defects of character may be largely overcome by personal contact with the merchant either through the credit man or salesman.

Defects of capacity can best be overcome by educating the merchant in better business ideals and methods.

Defects of capital can best be overcome by the cooperation of the salesman with the merchant in instructing him in merchandising methods, in order that the turnover may be accelerated.

Salesmen Must Be Educated

The salesman must, of course, know the fundamentals of credit. To bring this about, there should be school work on credits—the new salesmen would involve the discussion under the head of: new accounts, old accounts, financial statements, references, insurance, personal real estate of customer.

Under new accounts, the salesmen should learn to give definite data on such subjects as:

What sort of condition is the stock in?

Is the stock insured against fire, and in what proportion to stock owned?

Is the business operated on a cash or credit basis?

How long in business?

What progress was made in past year?

What accounting records are kept?

What kind of location and what kind of competition?

Annual operating expenses? Date of last inventory?

Under the heading of "Old Accounts," the salesman would be required to keep the Credit Department informed of any noticeable or expected changes in the customer's condition, etc.

Value of Prompt Collection

Now, let us take note of what happens when collections are not made promptly. For example:

Average monthly sales are	$75,214
Average outstandings are	133,425
Per cent of months' sales in customers' banks will equal	177 + %

Now suppose that you collect more promptly and the figures become as follows:

Average monthly sales are	$75,214
Average monthly outstandings are	59,654
Per cent of months' sales in customers' banks will equal	79 + %

In other words, with prompter collections, you are able to run your business with an average of about $73,771 ($133,425-$59,654), less capital, or you can use that much extra capital in expanding your business. The difference between the two foregoing examples is this:

Amount saved by prompt collection ($73,771 at 6% interest) equals	$4,426.26
Yearly sales ($75,241 x 12 mos.)	902,568.00
Net profit from prompt collection ($4,426.26 ÷ $902,568) = ½ of 1%	

Stick to Your Terms

The whole secret is that we have the backbone to insist on observance of our terms. For lack of this, 99 per cent of all business men who fail to get their money on time, do fail.

Collection stunts are ineffective unless backed up by the simple fundamental principle, "have the nerve to state your terms and have the courage to get them observed."

Experience shows that when a man gets the habit of paying his bills promptly he is more likely to be careful about all his business moves, lest he fall behind. He is stricter with his own trade, and that usually means that he will prosper.

To repeat what I have said before, a credit policy can never be a success unless it has the thorough cooperation of our salesmen. We must "sell" our salesmen on the idea that they can sell more goods if they have an understanding with each customer, that when we say

(*Continued on page* 20)

Latin American Credit Again Rates High

33rd Semi-Annual Survey of Commercial Credit and Collection Conditions Covers Last Half of 1944

By PHILIP J. GRAY
Manager, Foreign Credit Interchange Bureau, NACM

The upward trend which has been in progress, as recorded in these surveys since July of 1940 has continued in the current survey, which, for the fourth time finds all Latin-American markets registering top rank in the collection classification, and all markets with the exception of Bolivia achieving top rating in the credit classification.

In the majority of countries under survey, credit and collection indices have now risen steadily for four and one-half years, according to the judgment of United States manufacturers and exporters whose contributions to these surveys represent their actual credit and collection experiences in the markets covered. Creditwise, this 33rd Semi-Annual Survey finds all Latin-American markets rated "Prompt" on Collections, and all but Bolivia "Good" from the Credit viewpoint.

"Terms" Tend to Liberal Side

In the comparison of terms granted during 1944 with those extended during the year 1943, very little change was evident. More than 90 per cent of the members participating in the survey reported terms as "Unchanged" or "More Liberal" in all Latin-American markets.

Greatest reduction in terms were reported in Peru where 8 per cent of the members reported reducing terms, with 6 per cent making similar reports for Paraguay and Colombia, and 5 per cent reporting reduced terms to Brazil. Ninety-eight per cent of the members reporting indicated "Unchanged" terms to British Possessions, Cuba, and Haiti, 97 per cent reporting "Unchanged" terms to Mexico and Netherlands Possessions, and 96 per cent reporting "Unchanged" terms to Chile, Costa Rica, Honduras, Panama, Puerto Rico, El Salvador and Uruguay. More liberalized terms were reported by 7 per cent of the members on exports to Peru and Paraguay, 6 per cent making similar reports on business with Argentina and Ecuador, and 5 per cent reporting "More Liberal" terms to Bolivian and Nicaraguan customers.

The export volume survey for the year 1944 as compared with 1943 showed improvement in all but four Latin-American markets. Lowest volume was recorded in Argentina with only 67 per cent of the previous year's business. Guatemala recorded 99 per cent, Haiti 94 per cent, Netherlands Possessions 88 per cent and Panama 89 per cent. Greatest increase in export volume was recorded in Brazil where sales were reported at 263 per cent of the 1943 volume.

Next greatest increase was recorded in Mexico with 225 per cent followed by Colombia with 147 per cent and Chile and Cuba each recording 145 per cent. It must be emphasized that this Volume Survey covers two wartime years, and that it does not reflect in any way a comparison with volumes attained pre-war.

Wide divergence was again evident in the reports—some members reporting entire loss of markets in which other members recorded extraordinary increases in volume. This must, of course, be expected in wartime trade and too much reliance should not be placed upon the percentages shown in the country-by-country listings.

Cuba Leads in Credit

Cuba leads all markets in the top credit classification of "Good," followed closely by Venezuela, Mexico, Puerto Rico, Colombia and Brazil. Paraguay, Ecuador, Nicaragua and Honduras were the low members in this classification. Seventeen markets improved their credit rating in this survey while five declined, with Mexico's rating remaining unchanged. Bolivia rated as "Fairly Good" was the only market failing to make the "Good" classification—no markets were rated "Fair" and none was rated "Poor."

Top rank in the collection classification was shared by Colombia, Cuba, Dominican Republic, Guatemala, Haiti, Mexico, Netherlands Possessions, Peru, Puerto Rico, Brazil and Panama. At the end of this list but still rated as "Prompt" are Argentina which dropped nine points in rating, and Ecuador and Bolivia which lost five and ten points respectively. Three markets showed improvement in Collection rating in this survey, while 11 lost points and nine markets maintained their mid-year standings. No markets were rated as "slow."

Broad Cross-Section

The 176 American manufacturers and exporters contributing to this survey are located in all parts of the United States. They represent a veritable cross-sec-

tion of American products, the majority of them reporting on all the markets included in this survey. In compiling this survey, no consideration is given to the question of Governmental debts or service obligations, and the classification of "Credit Conditions" refers to the situation within the various Latin-American markets from the commercial point of view only, as judged by American manufacturers and exporters.

Comments made by those replying to the survey under the general heading "Collection Conditions" may be considered as indicating the current trend based on the definite experience of American manufacturers and exporters having commercial collection items in the markets surveyed.

The "Terms" feature of the survey simply reports whether members' terms during 1944 to Latin-American buyers were "Unchanged" or had been "Reduced" or "Increased" over those granted during 1943, and the replies have been listed country-by-country in a percentage figure. The "Export Volume" survey requested a percentage figure comparing the value of 1944 exports with those of 1943. This country-by-country Volume report is attached hereto.

Credit Conditions

Insofar as the present semi-annual survey is concerned, which covers Credit Conditions prevailing in the last six months of 1944, the members of the Foreign Credit Interchange Bureau, for the third time, rate all Latin-American markets, except Bolivia, as "Good." No rating was given the French Possessions in view of the fact that transactions there are on a cash basis through officially licensed sources. A comparison of Credit and Collection Index figures by country is attached hereto, and we list below "Good" credit markets in the order of their standing in this classification.

GOOD: Cuba, Venezuela, Mexico, Puerto Rico, Colombia, Brazil, Peru, Panama, British Possessions, Netherlands Possessions, Chile, Guatemala, Uruguay, Haiti, Costa Rica, Dominican Republic, Argentine, El Salvador, Paraguay, Ecuador, Nicaragua, Honduras.

FAIRLY GOOD: Bolivia. *FAIR*: None. *POOR*: None.

COLLECTIONS

This is the fourth survey in which all markets are listed as "Prompt" and is the eighth consecutive, semi-annual survey in which not a single one of the markets under consideration is rated as "Slow" or "Very Slow" from the point of view of Collections. The current survey of Collections in percentages of replies received is attached hereto, in a country-by-country listing. French Possessions are not rated. Markets are listed below in the order of their rating in the "Prompt" Collection classification.

PROMPT: Colombia, Cuba, Dominican Republic, Guatemala, Haiti, Mexico, Netherlands Possessions, Peru, Puerto Rico, Brazil, Panama, Venezuela, El Salvador, British Possessions, Uruguay, Chile, Costa Rica, Honduras, Paraguay, Nicaragua, Argentina, Ecuador and Bolivia.

FAIRLY PROMPT: None. *SLOW*: None. *VERY SLOW*: None.

Terms Reports

This survey once more demonstrates the fact, brought out in previous reports, that "nine out of ten" U. S. exporters during 1944 continued to give their Latin-American buyers the same accommodations granted them during 1943. A country-by-country listing of the terms survey reported in percentages of replies received is attached hereto.

Export Volume

A report of the volume of members' 1944 export sales as compared with 1943 in a country-by-country survey is attached hereto. It is emphasized that an extremely wide range was evident in the reports on this feature of the survey, and due caution should be exercised in the use and interpretation of these "general-average" percentage figures.

Comparison of Credit and Collection Index Figures

(Based on Surveys on Credit and Collection Conditions in Latin America)

	Credit Conditions		*Collections*	
	Jan. 1945	Jan. 1944	Jan. 1945	Jan. 1944
Argentina	277	274	91	100
Bolivia	237	252	76	92
Brazil	292	288	100	99
British Poss.	289	285	98	99
Chile	283	278	97	98
Colombia	292	282	100	96
Costa Rica	278	262	97	94
Cuba	297	292	100	100
Dominican Rep.	277	280	100	100
Ecuador	261	270	90	100
French Poss.	Not Rated		Not Rated	
Guatemala	282	284	100	100
Haiti	279	275	100	100
Honduras	255	263	95	98
Mexico	294	295	100	100
Netherlands Poss.	288	289	100	100
Nicaragua	257	257	93	94
Panama	290	297	100	100
Paraguay	264	262	94	100
Peru	291	283	100	98
Puerto Rico	294	278	100	100
El Salvador	270	272	98	98
Uruguay	281	283	98	97
Venezuela	296	286	99	99

Rating Chart

CREDIT—GOOD: 250 and up. Lowest percentage 50% good, 50% fair.

FAIRLY GOOD: 225 to 250. Lowest percentage 25% good, 75% fair.

FAIR: 200 to 225. Lowest percentage 100% fair.

POOR: 175 to 200. Lowest percentage 75% fair, 25% poor.

VERY POOR: Below 175.

COLLECTIONS—PROMPT: Over 70% prompt or fairly prompt collections.

FAIRLY PROMPT: 50% to 70% prompt or fairly prompt collections.

SLOW: 40% to 50% prompt or fairly prompt collections.

VERY SLOW: Less than 40% prompt or fairly prompt collections.

Current Survey of Collections (January 1945)

(In percentages of replies received)

	Prompt	Fairly Prompt	Slow
Argentina	79	12	9
Bolivia	42	34	19
Brazil	90	10	—
British Poss.	87	11	2
Chile	76	21	3
Colombia	88	12	—
Costa Rica	69	28	3
Cuba	96	4	—
Dominican Repub.	77	23	—
Ecuador	56	34	10
French Poss.	Not Rated		Not Rated
Guatemala	86	14	—
Haiti	84	16	—
Honduras	65	30	5
Mexico	91	9	—
Netherlands Poss.	93	7	—
Nicaragua	56	37	7
Panama	92	8	—
Paraguay	60	34	6
Peru	82	18	—
Puerto Rico	93	7	—
El Salvador	64	34	2
Uruguay	74	24	2
Venezuela	88	11	1

Survey of Terms Granted During 1944 As Compared with 1943 Terms

(In percentages of replies received)

	No Change	Reduced	Increased	1944 Export Volumes Compared With Year 1943 Average Percentages of All Reports Received
Argentina	94%	—	6%	67%
Bolivia	92%	3%	5%	132%
Brazil	95%	5%	—	263%
British Poss	98%	2%	—	101%
Chile	96%	2%	2%	145%
Colombia	90%	6%	4%	147%
Costa Rica	96%	1%	3%	120%
Cuba	98%	2%	—	145%
Dominican Rep.	95%	2%	3%	114%
Ecuador	92%	2%	6%	123%
French Poss.	Not Rated		Not Rated	150%
Guatemala	93%	3%	4%	99%
Haiti	98%	2%	—	94%
Honduras	96%	2%	2%	122%
Mexico	97%	3%	—	225%
Netherlands Poss.	97%	3%	—	88%
Nicaragua	92%	3%	5%	117%
Panama	96%	4%	—	89%
Paraguay	87%	6%	7%	107%
Peru	85%	8%	7%	130%
Puerto Rico	96%	3%	1%	139%
El Salvador	96%	2%	2%	131%
Uruguay	96%	2%	2%	142%
Venezuela	92%	4%	4%	130%

The next—the 34th Semi-Annual Survey of Credit and Collection Conditions in Latin-American markets will be made by the Foreign Credit Interchange Bureau in July—covering credit and collection experiences and terms granted during the first-half of 1945.

Will V-Day Bring a New Crime Wave

By H. B. MICHAEL

Burglary Protection Engineer, Underwriters' Laboratories, Inc., Chicago, Illinois

Today, in a world aflame, the stage is being set for a crime wave of substantial proportions. Many authorities agree that crimes against property run in cycles, and if history repeats itself, burglaries, robberies, and thefts will increase for at least a decade. In the ten years following World War I, for example, bank robberies increased 300 per cent and burglaries almost an equal percentage. The increase in crime has already begun. Thirty per cent more burglaries were reported on mercantile alarms in 1944 than in 1943. Let us consider just a few of the reasons why.

First, the profit motive. There are now 25 billions of dollars in circulation, 80 billions in savings, 160 billions in chattels, jewelery, etc.—certainly a real attraction to thieves of all classes. Secondly, the national income has doubled and values have increased. When appreciable changes occur in incomes and prices, either up or down, crimes usually increase. Thirdly, war touches deeply the lives of many peoples and causes profound social readjustments. And finally, we must not overlook the widening tide of racketeering and disrespect for law.

The Purpose of Protection

There are three basic reasons for crime prevention measures. Briefly stated these are:

(1) To save human life.

(2) To prevent property loss.

(3) To reduce costs and taxes.

Crime prevention, as we shall see, requires protective appliances. We cannot afford to tempt youth by exposing valuables within his easy grasp, nor can society afford to spend billions annually for courts and prisons to support the professional criminal when his trade can be made unprofitable.

Reliable crime reports show that nationwide there is a theft every 40 seconds, a burglary every two minutes and a robbery every 12 minutes every hour of every day. More than one million crimes annually! An average of two committed by each of the estimated 500,000 criminals at large.

Many commercial properties have inadequate protection *or none at all!* Our 2½ million business premises are closed and unguarded 70 per cent of the time. Even though municipal and state police science has improved greatly, these public servants devote much of their time to traffic problems. They cannot act as private watchmen. If our police forces were increased ten-fold, they could not guard these properties all of the time. Criminals attack where protection is lacking, where apprehension is unlikely and theft profitable. That is why we have crime!

It Can "Happen Here"

A natural mistake is to think "It can't happen here—or if it does insurance will replace the loss." Often, how-

ever, loss of irreplaceable stocks, documents, merchandise or even customer confidence can prove fatal to a business enterprise. Insurance *indemnifies* against loss, but does not *prevent* crime. Then, too, as increasing numbers of properties install adequate safeguards, the hazard increases for those left unguarded. A good credit risk requires protection commensurate with this constantly increasing hazard.

Space does not permit a detailed account of all of the acceptable forms of protective systems now available. "Approved" systems are required to have expert installation and maintenance. They may be identified by a serially numbered, classification certificate issued to a specified location. The certificate is issued for periods up to five years depending upon the terms of the service contract. Classifications for these systems are enumerated in table herewith.

Protective Installations Classified By Certificate

Type	Available Grades	Degrees of Protection
For Burglary Protection:		
Central station burglar alarm... (Bank vault and safe)	A or B	Complete or partial
Bank vault local burglar alarm..	B or C	Complete or partial
Central station mercantile burglar alarm..................	A or B	#1, 2, 2½, 3
Local mercantile burglar alarm..	A	#2, 2½, 3
Tear gas for vault and safe.....	One only	Partial
For Robbery Protection		
Bullet-resisting enclosures......	Medium power High power	Complete robbery
Tear gas for interior robbery....	One only	Complete
Hold-up alarm system (Central station or police station only)	One only	Manual or semi-automatic

There are, in addition, many physical retardant devices identifiable by Underwriters' Laboratories, Inc.'s inspection manifest or label applied at the factory. Included in this category are relocking devices which function when a combination lock is punched or blown by burglars; delayed-action time locks to impede armed robbery of safes and vaults; and finally several types of burglary resisting safes which are classified as to their resistance to tools, torch, high explosives or all three, depending on their performance in test. For these devices, maintenance under contract is not required as a condition for classification. Obviously, jeweled time locks, like exquisite wrist watches, should have periodic inspection.

Degrees of Protection

The first question confronting a business man is "How much protection do I need?" The answer depends on the commodity, the location, and immunity desired. For financial institutions, the risk is great and existing concrete and steel vaults or safes may not be sufficient. Safe deposit companies and other custodians of public or private funds have found that alarm protection is very necessary. For *mercantile properties* generally iron bars, locked doors and lath and plaster walls are certainly inadequate. Here, as with stocks of narcotics and rare drugs, supplementary protection against burglary is essential.

For signaling unlawful entry, the burglar alarm has been widely adopted because it is automatic. Mercantile burglar alarms of either the *local gong* or *central station* type provide a wide range of established degrees of protection. By local alarm is meant one with a local sounding gong on the outside of the building. A central station system provides armed response and supervision from an outside central station to which connected. Briefly, mercantile alarms are classified as No. 3 if protection covers accessible openings only, No. 2½ or 2 for intermediate extent, and No. 1 for complete coverage, as on a stockroom. Vault alarms, however, are classified as complete or partial in extent.

These varying degrees of extent are usually accorded recognition in proportion to their demonstrated value based on extensive or average experience. The experience is not necessarily the same for mercantile as for bank properties, nor for local gong as compared to central station alarms.

Careful Planning Accessory

Protection against armed robbery requires careful planning to outwit the ingenious armed robber who takes advantage of elements of speed and surprise. Banking institutions have been compelled to protect life and property against this hazard by installation of bullet-resisting enclosures, tear gas, alarms or delayed-action time locks. Commercial institutions may find it necessary to follow suit in the next upsurge in crime.

To combat hi-jacking of cargo vehicles and robbery of messengers, special alarm devices have been effective if properly installed and maintained.

For more detailed descriptions of extent and types of systems available, the reader is referred to the List of Inspected Burglary Protection Appliances, a copy of which may be obtained without charge or obligation from Underwriters' Laboratories, Inc.

Underwriters' know that most professional attacks are skillfully planned, timed and executed. They encourage protection because they know that thieves avoid the well-protected risks. They have co-operated with manufacturers in the formulation of standards and laboratory test procedure, by means of which protective appliances are classified as to merit for the benefit of property owners everywhere.

Test for Tamper Resistance

In the examination of a protective system, engineers of Underwriters' Laboratories, Inc., determine by exhaustive tests that the equipment is reliable and tamper-resisting. They insist that it have quality materials to minimize breakdown and accidental operation. To the testing engineer one test may be worth a thousand expert opinions. They know, too, that the criminal may devise new methods or tools. The engineers literally "turn burglar" and try to defeat the systems in various ways.

(*Continued on page* 20)

John L. Lewis has stated this publicly over and over again. In the current issue of *Fortune,* there is an article by a labor leader—Edward T. Cheyfitz—which states the case for high industrial efficiency and its benefits to the workers as clearly as any industrialist could state it. But the pronouncements of top leaders do not always necessarily reflect the opinion of the lower ranks. If we don't persuade a large share of the American people, including the workers, of the social benefits as well as the economic benefits of higher industrial efficiency, the ignorance on the part of many people may in the end destroy our opportunity to bring about the full benefits of labor-saving machinery. It may well destroy the possibility of our opening up the new industrial horizons which can be attained from the testimony which has been produced from the record. Can we not say that our challenge is reasonably clear?

As a small group, we cannot alone assure a prosperous post-war world. There are so many other things that must be done. But I think we can say that if we as a small group are ready to do our part in building the new industrial horizons ahead, we must do these things:

1. *Our engineering must be sound.* It must aid our customers fully to capitalize the lower over-all manufacturing costs attainable—not only the lower handling cost.
2. *Our marketing must extend information of the benefits of our products efficiently and as broadly as possible.* Otherwise, we shall be as derelict in our duty toward the future as though we had refused to sell the necessary equipment.
3. *Our educational activities must extend the understanding of the social and economic benefits of our products*—not only to the industry itself but also to the layman, and especially to the ranks of labor. Certainly there is no group of people anywhere in industry with such a great responsibility.

Although there will be no Churchill to speak for materials handling manufacturers five or ten years hence, let us hope that we may have merited his words—that "there never was a time when so many owed so much to so few."

A Selling Job for Credit

(*Continued from page* 13)

"terms are 2-10, net 60, or net—no cash discount," we mean just that and nothing else.

The thing to remember is that short credits and prompt collections are the one best plan of doing business. You cannot convince anyone otherwise after this has been properly tried.

Now to what I have already stated, allow me to add this:

If it is true that service is to be the force that works for the upbuilding of business, then service cannot be performed successfully by the selling department alone or the credit department alone but by both working together along well settled lines of policy. Service must never be confused with the loose policy of letting the buyer ad libitum cancel or return, take unearned discount or pay when he gets ready. Many salesmen and a few credit men seem to think that winking at such abuses is service. It is just the opposite, for the practice of these abuses undermine and tends to demoralization in other directions. Genuine service is constructive. The thought back of it is to help the customer set his house in order that he shall know where he stands and in what direction profitable business lies.

And in conclusion—last but not least—it should be remembered that "Efficiency" has always ruled and controlled the world and now more than ever before. Reason guides and directs, but efficiency produces. We should, therefore, aim to apply efficiency to our business or in the performance of our everyday duties; otherwise the progress we desire to make will not be apparent, and we will find ourselves standing still; and, don't forget when you stand still, you go back and those grounded in efficiency will take your place.

Crime Wave

(*Continued from page* 18)

In the case of tear gas or bullet-resisting materials, safety to life is an important added consideration. Tear gas, for instance, is subjected to tests to determine toxicity, fire and explosion hazards, as well as effectiveness in repelling armed robbers. Bullet-resisting materials are tested at close range with proof-tested ammunition shot from high-powered revolvers and pistols. Fragmentation from the test specimen is a cause for rejection. If it is not safe—it is not good protection.

Since many devices fail to pass these rigid tests, the Laboratories is truly a "Proving Ground" where many unsafe devices are eliminated before the protective devices are installed in private or public buildings.

Enforcing the Standards

To assure that standards of quality are not forgotten, constant supervision is exercised over the construction, installation, and maintenance of *certificated* installations. Approximately 1500 factory and installation inspections are made annually by the Laboratories' burglary protection specialists. Installations not conforming to standards are rejected, corrected, or reclassified. In addition to electrical inspection, central station systems are subject to detailed study of time of response records and to surprise test alarms.

It should be emphasized that *no supervision whatever is given* by Underwriters' Laboratories, Inc., to *noncertificated installations* or *nonlabeled* devices.

Expert Maintenance Required

Alarm protective installations require expert maintenance. This is true because a supervisory current of a few thousandths of an ampere flows through the delicate wiring and other balanced protective circuits required to foil the criminal mind. It is especially true of systems operating on the sound detection, photoelectric, radio frequency or other electronic principles. Many of these systems now in service or in the laboratory operate on millionths of an ampere (microampere) of current. Expert maintenance service is for like reasons required of many other protective systems.

Partnership or Corporation

Which Is the Better Form of Doing Business?

By the Tax Staff of the Research Institute of America

There is probably no more fundamental question than which form of doing business is most advantageous. Yet, contrary to what appears to be widespread belief, no single business form is ***the*** most advantageous for all enterprises. The legal, tax and other consequences of each type of business organization, as well as the results of a shift from one form to another must be balanced carefully against each other and must be appraised in the light of the particular circumstances of each firm. Past experience is a risky guide—what was wise in 1936 may no longer be advisable and what is best today may turn out to be most expensive in the postwar period.

Final decision on just the question of which is the most advantageous *taxwise*—and this article is primarily concerned with the tax aspects—must depend partly on estimates of future income and the necessity for distributing that income, partly on prognostications of Congressional and judicial tax action, and partly on guesses as to postwar economic conditions.

The postwar legislative *probables* include:

(a) elimination of the excess profits tax with the end of hostilities or shortly thereafter,

(b) some reduction in corporate normal and surtax rates, and

(c) only slight reduction in individual tax rates—but with the income tax ceiling cut from 90 per cent to roughly 75 per cent.

The strongest *possibility* is the elimination of the double tax on corporate profits. Many proposals along this line have been made, but no generally acceptable solution to the many problems involved has yet been reached.

Difference in Tax Basis

Any study of the relative tax advantages of corporations and partnerships must start with the two fundamental differences in their treatment.

First, corporations are not taxed at the same rates as individuals. A corporation is subject to a normal tax and surtax ranging from 25 to 40 per cent, plus an excess profits tax of 95 per cent. In addition, it is subject to the capital stock and declared value excess-profits taxes. On the other hand, an individual is subject to a normal tax and surtax ranging from a low of 23 per cent to a high of 94 per cent. Of course, where a corporation is subject to the excess profits tax, or a substantial portion of its earnings is paid out in dividends, the corporation stands in a disadvantageous position compared with a similar non-corporate business. However, the excess profits tax is not a permanent tax fixture. It will undoubtedly be repealed soon after the end of the war. And dividend payments are controllable to a substantial degree. Eliminating the excess profits tax and the double tax (first to the corporation and later to the stockholder) that comes when dividends are paid, the federal tax burden on corporations is, in general, lighter than on a comparable partnership.

Second a partnership is considered to be inseparable from its partners. The double taxation of corporate income, the difference in treatment of partners and working stockholders for payroll tax and salary stabilization purposes, the taxation of corporate tax-exempt income, etc., are direct outgrowths of this second fundamental difference.

Accumulation of Reserves

Of course, the payment of dividends is not completely within the control of the corporation since there is the punitive surtax for unreasonable accumulation of earnings to be reckoned with. However, faced with the uncertainties and challenges of reconversion and the postwar period, a policy of accumulating earnings today would appear to be reasonable in the case of almost any operating corporation.

There are, however, at least two important tax disadvantages of the corporate form of doing business. Since a corporation is a separate entity, dividends received from a corporation do not retain any of the characteristics of the income out of which the dividends are paid. The result is that as a conduit or profit the corporation has the effect of converting *all* types of income into fully taxable income when distributed as dividends. Thus, fully tax-exempt income, partially tax-exempt income and capital gains all become fully taxable ordinary income when the income is disbursed as dividends. Partnership income, on the other hand, does not lose any of its characteristics by going through the partnership. If the partnership realizes a capital gain, the partner's share of that gain is still considered a capital gain. If certain income received by the partnership is tax-exempt, a partner need pay no tax on his share of it.

Another disadvantage of the corporate form lies in the fact that if a corporation runs into hard years its losses cannot be used to offset any other income which the stockholder may have. A corporate loss (except for the carry-over and carry-back provisisons) is a tax waste. On the other hand, partnership losses can be

applied to reduce any other personal income of the partner. Obviously, this distinction is important only where an individual has a source of income outside of his business. Where a business is the only income source, it makes little difference as far as the use of business losses is concerned, whether it is incorporated or unincorporated.

Cost of Dissolving Corporation

While a change from a corporation to a partnership may seem advisable because of the expected annual tax savings, the immediate tax cost of dissolving the corporation may make the change prohibitive. The fact that in a particular case the tax cost of converting from a corporation may exceed one year's tax savings should not, of itself, prevent the change since the annual savings may continue. However, if the tax cost of dissolving the corporation exceeds the expected savings for *several* years, a change to a partnership is usually not advisable. It is difficult to predict what tax rates will be several years hence, and it is probable that operating as a partnership may turn out to be comparatively less advantageous in future years.

A partnership may transfer its property to a corporation solely in return for stock without realizing any taxable gain or loss, if (a) the partners after the exchange have at least 80 per cent of the outstanding voting stock and at least 80 per cent of the total number of shares of all other classes of stock of the corporation, and (b) the amount of stock and securities received by each partner is substantially in proportion to the interest he had in the property before the exchange for stock. In most cases, these requirements are automatically met in incorporating a business and changing from a partnership to a corporation will usually involve no tax.

In a nontaxable transfer the basis of the property to the corporation will be the same as the basis of the property before its transfer to the corporation. However, on a taxable transfer the basis will be the fair market value at the time of the transfer. Thus, under certain circumstances it may be advisable to realize a taxable gain or loss:

1. The property has increased in value and the partners are willing to pay a tax on the amount of capital gains in order to increase the basis of the property to the corporation.

2. The property has decreased in value and the partner wishes to deduct the loss on his personal return.

Unlike the transfer of assets from a partnership to a corporation, the reverse transfer results in the recognition of gain or loss regardless of how the transaction is handled. However, this can be turned into a substantial long range tax benefit through a stepping up of the basis of the assets of the new, unincorporated business. Any increase in value of the corporate assets is taxable to the stockholders usually as a long-term capital gain, and therefore subject to a maximum effective tax of 25 per cent. On the other hand, the increased basis may be used by the new business to reduce ordinary income which is probably subject to a substantially higher tax rate.

For example, if the A corporation has a closing inventory which cost $10,000, but has a market value of $20,000, corporate liquidation would result in a maximum tax to the stockholders (due to the increase) of $2,500. However, when the inventory is sold by the succeeding partnership in the following year, the income is reduced by the full $10,000 of increase, and if the owner is in a 50 per cent bracket, the saving would be $5,000. The net tax saving therefore, amounts to $2,500.

Pitfalls to Be Considered

A change from a corporation to a partnership, or vice versa, has pitfalls other than the immediate tax liability involved in the switch. For example, the loss of the carry-over and carry-back of losses and unused excess profits tax credits may itself tip the scales against any change. Losses of both corporations and partnerships can be carried back or carried forward for two years. But where a corporation dissolves and then operates as a partnership, any losses incurred as a partnership *cannot* be used to obtain a refund of taxes paid by the former corporation. Furthermore, the right of a corporation to carry back any unused excess profits credit will likewise be lost. Similarly, a corporation formed out of a dissolved partnership *cannot* apply its losses against the income of the partnership for prior years. Of course, the unused losses can still be carried forward. But this involves a long range speculation with too many unknowns. The one definite fact is that the losses carried forward will not be able to offset high-rate war taxes.

There is another penalty which may have to be paid for dissolving a corporation. The proceeds of any life insurance policies transferred from the corporation may lose their tax-exempt status. Life insurance proceeds are generally tax-exempt. However, when the policies are transferred for a valuable consideration, such as in return for stock, the transferee becomes taxable on the excess of the proceeds over the basis of the policy. Thus, if policies covering nonstockholder-employees are distributed on the liquidation of the corporation, the proceeds subsequently received will not be fully tax-exempt. The amount taxable will be the proceeds minus the cash surrender value at date of dissolution and the premiums subsequently paid.

Where the policies cover an employee-stockholder, a different rule apparently applies. The Treasury has held that where a policy is transferred to the *insured,* the proceeds still retain their tax-exempt characteristics. On the basis of this decision, where the policy is on the sole stockholder the distribution of the policy to the stockholder would seemingly not make the future proceeds taxable. If the policy were on the life of only one of a number of stockholders, the future proceeds would presumably be taxable only as to the share belonging to the *uninsured* partners.

A transfer of a policy from an unincorporated business to a corporation in a tax-free transfer does not result in changing the tax-exempt nature of the insurance proceeds. Therefore the incorporation of a business does not face the problem involved in a corporate dissolution.

Loss of Amortizing Basis

If a corporation has emergency facilities, its dissolution may result in the complete loss of the right to amortize the basis of the facilities over the short five-year period. The certificate of necessity does not follow the transfer of the assets and it will be necessary for the successor partnership to secure a new certificate. The WPB is granting very few new certificates, on the ground that the change of business form is not necessary for the war effort. Failure to secure a new certificate means that the partnership must amortize the basis of the property over the useful life of the property rather than over a 60-month period. In addition, the corporation by dissolving would appear to forfeit the right to increase its yearly amortization retroactively if the emergency period ends before its five-year period terminates.

If the change is a tax-free transfer from a partnership to a corporation, a closing agreement can frequently be obtained from the Treasury permitting the corporation to continue the amortization started by the partnership. This closing agreement would do away with the necessity for a new certificate.

To sum up, it is impossible to say that the corporation or the partnership is the better form of doing business. The advantages and disadvantages of each and the cost of a shift from one form to another must be weighed in the light of the circumstances of a particular taxpayer. For example, while a certain corporation may decide that it would be more advantageous to operate as a partnership, the loss of an unused excess profits tax credit carry-back or the right to continue five-year amortization of war facilities may more than counterbalance the expected advantages. However, very generally speaking, it is our belief that the trend will shift from the partnership to the corporate form in the next few years. The elimination of the excess profits tax and the expected general reduction in business taxes after the war will be the prime inducing factors.

Stuart Chase Points to Danger of Group Pressure at Capitol

Pointing to more than 400 organized lobbies in Washington as examples, Stuart Chase in a new report to the Twentieth Century Fund says our democracy itself may not survive the bitter battle between warring pressure groups in America.

The noted writer on economic subjects, looking ahead to some of the questions that will face peacetime America, says: "If the pressure group free-for-all holds the stage, economic breakdown is not far away."

Chase notes the extreme diversity among pressure groups, representing all kinds of economic, political and social interests, and says the 400 Washington lobbies might be roughly classified in five groups:

The Big Three—Official business, labor and farm organizations.

Specialized producers, such as cattlemen, publishers, citrus growers, broadcasting stations, telephone interests.

Professional and occupational groups, such as the bankers, insurance companies, advertisers, real estate men, exporters and importers, doctors, teachers, lawyers.

Reformers, such as the conservationists and the birth controllers.

The governments in exile, who are protesting loudly against actual or anticipated injustices to Ruritania. Never forget that Ruritania's sons can swing a tight election in a number of Congressional districts.

Looking into the origins of the problem, Stuart Chase finds: "The pressure groups which are the despair of patriots are not a sudden calamity. They grew up with the country, like soil erosion. They are the direct result of certain economic developments and tensions."

Chase lists a large number of interests now putting pressure on our economic system, such as certain manufacturers wanting tariff protection, while others work for free trade, and says: "The objective behind these wants is usually a direct

subsidy for the interest itself, or a hand grenade for a competitor.

Practically all the labors of the economic pressure groups revolve around these twin goals. Observe, however, that such goals are often in violent conflict as among the several groups. This is no harmony chorus."

Analyzing why pressure groups exist at all, Chase points to the tendencies toward monopoly, restricted output and high prices found in almost all economic special interests, and says often these practices are started as a protection against the perils and uncertainties of the market. "The monopoly movement thus appears in a strange new light, as a natural human defense. Monopolies were formed to protect businessmen from the violent ups and downs of the market, precisely as trade unions were developed to protect workers from the howling blizzards of the free market in labor. If monopolies are part of this social defense mechanism, clearly they cannot be liquidated blindly."

Showing how some forces have worked out in actual practice, Chase says: "Big Business, Big Labor and Big Agriculture have all organized monopolies after their fashion and left the fluid play of free competitive forces far behind them. In support of their organized economic interest, each has established powerful political lobbies to bring pressure on both federal and state governments."

In a sense Chase regards pressure groups more or less as a natural projection of bigness and monopolistic tendencies into the political arena. "The strategy is as elemental as an army's: to take more territory, and to kill off the opposition." He lists the following four steps in national political pressure:

First, get the "right" Congressman elected. He will vote for our bills. This means campaigning in the field.

Second, turn the heat on Congressmen already elected.

Third, influence an administrative agency to interpret bills in the "right" way. This is usually harder than influencing Congress.

Fourth, fight the constitutionality of unfavorable bills through the courts, right up to the Supreme Court.

Chase finds that special interest sometimes runs parallel to the public interest. "The labor bloc lobbied for the Child Labor Amendment. . . . The doctors have campaigned from time to time for pure food and drug legislation. The farmers have sometimes got behind conservation measures."

Chase points out that "there are no lobbies representing the whole consumer interest." He says that private citizens, faced with the ever increasing power of pressure groups, have often turned to the government to umpire between warring pressure groups and to represent the consumer interest. "When Big Business, Big Unions and Big Farmers moved in upon the government, the community had to develop the Big State to cope with them."

In completing his analysis of the way lobbies operate, Chase raises the fundamental question of whether lobbyists really express the point of view of the persons they are supposed to represent. He says: "A skilled lobbyist has an economic interest in his job. Like the rest of us, he prefers to have it seem important. . . . If lobbies represented only the common denominator of their members, and not the personal ambitions of the lobbyist as well, they might be less of a menace."

Motor Freight Supply Groups Now Function In Seven Markets

In October, 1943, at the St. Louis meeting of the Petroleum Division of the National Association of Credit Men, a plan for special consideration of the Class One Common Carriers and the Long Distance Household Movers was suggested by R. C. Gordon, Division Credit Manager of the Shell Oil Company, Incorporated, St. Louis, who was made Chairman of the National Committee to promote its adoption.

The plan appeared somewhat visionary to some in the convention, and did not command full support in the beginning. This did not prevent its sponsor, however, from continuing its pursuit, and much has been accomplished since that time.

Fundamentally, it is simple and provides a worthwhile manner of obtaining thorough and complete information about some of the largest users of merchandise of the Oil Companies, Tire and Auto Accessory people. It is building the foundation of a special service during these easy credit years, which will be most helpful in the post-war period.

There is no doubt that the Associations of Credit Men reap material benefit from its organization but this is, of course, secondary to the aid to be gained by those suppliers of merchandise to the "Truckers."

Briefly, it expands the membership in the N.A.C.M. to include all suppliers, and results in 100% trade checking on these very important customers, which is in clear evidence on the Credit Interchange Reports now being furnished to those members who have joined in the pioneering of the plan.

Proof of this advantage will be found in the following cities where the plan is in operation: St. Louis, Chicago, Omaha, Kansas City, Indianapolis, Des Moines and Minneapolis. Others are in the stage of formation, and still more are making inquiry for the procedure.

In some associations the suppliers have formed into groups, meeting monthly for the purpose of discussing the problems of the truckers; and the St. Louis Group has invited representatives of the Motor Freight Carriers to address them on the problems being encountered. The Truckers make no attempt to hide their worries, and the press daily carries news of their many difficulties.

The Credit Groups do not look upon

this organization as one to find all the credit disadvantages possible with the view of selling only the survivors, but have made it their purpose to volunteer counsel and help an important industry fighting for its very existence.

The National Petroleum News, the petroleum periodical, on November 15, last, considered this movement of sufficient importance to give it considerable space in that issue.

Debate on Assignment Of Accounts at Hartford

Hartford: R. H. Ryan, General Credit Manager, Pratt & Whitney Division, Hartford, and Joseph W. Fechteler, attorney of Meinhard Greeff & Company, New York, debated the question: "Should We Have Recordation of Assignments of Accounts Receivable" at the January 30 meeting of the Hartford Association held at the University Club.

Chicago Uses Colored Slides to Show Association's Activities

Chicago: In order to more effectively tell the complete story of the Chicago and National Associations of Credit Men to new members, as well as old members, the Membership Committee of The Chicago Association of Credit Men has completed an unusual visual presentation of Credit Association activities.

R. L. Seaman, treasurer of The Florsheim Shoe Company, Chairman of the Chicago Association Membership Committee, conceived the idea of this method of presentation and has carried it through to its successful use, supervising the showing to many hundreds of the Association's members. It is the plan of Mr. Seaman and his committee to continue the showings until all groups have been covered, as well as every new member joining the Association.

The presentation is a combination of visual illustrations in color of the Credit Association activities projected on a screen, accompanied by a carefully prepared narration describing the activities in detail. The Association's activities are divided into three separate operations or values. The first section is confined to the trade association activities of the Credit Association such as legislation, fraud prevention, education and the out-and-out trade association functions. The second section covers the professional association activities and values to the credit executive in the management of his own responsibility. The third and final

section covers the service department activities of the Association under their separate headings; the Adjustment Bureau, the Collection Division, the Industry Credit Groups, and National Credit Interchange.

In discussing the visual presentation, Mr. Seaman said: "It is our intention to give every member a clear picture of the Association's operation and the many benefits which business generally derives from it and the values which it makes available to every credit executive and his department, as well as his own company."

Mr. Seaman has announced that it is the desire of the Chicago Association to make the visual presentation available to every Credit Association in the country.

New Booklet Offered On Sales Control by Remington Rand, Inc.

A 96-page book entitled "Graph-A-Matic Control for Sales Management" has just been announced by the Systems Division of Remington Rand, Inc., Buffalo, N. Y. A copy of this booklet will be sent to business executives upon request. While the booklet deals entirely with the sales features of business, it offers a number of excellent ideas for credit and financial executives as well and should prove of interest to any corporate officer whose work entails supervision of sales management.

Seattle: When the standing in the new Membership Contest was announced by E. L. Blaine, Jr., Peoples National Bank of Washington, on January 1, Seattle stood second on the list in the Class A Division, less than one percentage point behind the New York City Association. The Seattle Association on January 1 registered 571 members and the objective is 600 members at the end of the Association year.

Par-Payment Bill Is Introduced In Nebraska by "C" Men

Omaha: A bill to provide for par payment of all checks drawn on banks in the State of Nebraska was introduced in the Nebraska Legislature on January 5. A committee composed of members of the Omaha and Lincoln Associations of Credit Men has been backing this legislation and up to now have received considerable encouragement. The bill has been referred to the Legislative Committee on Banking Commerce and Insurance.

Position Wanted

CREDIT MANAGER AVAILABLE. 15 years' experience in all phases of retail and wholesale procedures and office management. Draft exempt, single. Free to locate anywhere permanently. Excellent references and record of achievement. Box F 12, Credit.

CREDIT MANAGER AVAILABLE. Outstanding record of broad industrial experience as Secretary, Treasurer, Credit Manager, Office Manager. Background includes 20 years in credit granting, supervision over large groups, management, insurance and corporation problems. Box F 2, Credit and Financial Management.

YOUNG WOMAN (32) employed seeks Postwar Career. 12 years' experience Credit. Sales-Promotion wholesalers and large retail mail order houses. Full responsibility all phases Credit Department, Personnel, co-ordinating other departments. Excellent planning sales promotion letters and campaigns that bring results. Salary open—subject to opportunity and future career. N. Y. only. Box F 3, Credit and Financial Management.

CREDIT EXECUTIVE — Age 49, nationwide experience—12 years with last firm—now available for connection as Credit Manager—or responsible position in Administrative Office—can handle—train and supervise a large personnel—further details as to back-ground available—have traveled the entire United States. Write Credit and Financial Management Box F-4.

New Industrial Horizons

(*Continued from page 7*)

charts which they had procured from industry. These charts represented ten operations in different plants where all the steps involved, such as operation, storage, inspection, and transportation, had been tabulated. Altogether, in the ten operations there were a total of 3103 elements, and 48.7 per cent of them were elements involving the handling and moving of the product. Further analysis of the charts showed that the methods engineers in these plants were able to set up new methods and install mechanical handling equipment which eliminated 930 of the 3103 transportation operations.

And some say that we have reached the limit of industrial efficiency! Let us pause now to ask: How much materials handling equipment will be installed which will not be properly engineered to the job in the coal industry? Among the 45 per cent of the industrial plants in America that feel they could improve operations through the installation of modern production machinery, how much of it will be properly engineered to needed materials handling equipment so that its full potentialities will be capitalized?

How much help are we going to give the methods engineers with engineering help to see that those operations that can be handled mechanically are really efficiently engineered? That is our first challenge.

Our second challenge is in the realm of marketing and selling. There is so very much to be said on this subject that I hesitate even to touch upon it. But it would be a gross omission not to point out that there are great opportunities for improvement in these phases of our work. The great increases in sales and consumer items that I have recited earlier were not achieved solely through improved manufacturing and mass production. They were achieved also through mass selling, through smart, aggressive marketing, through hard-hitting salesmanship and alert merchandising and advertising.

Laxity in Sales Methods

The capital goods industry as a whole has not been nearly as aggressive and as sound in the use of marketing and merchandising methods as have the manufacturers of consumer goods. If we are to make sure that we spread the benefits of our products to all industry, we must give thorough attention to the whole sales operation. A few minutes ago, we raised the question: "Why the disparity between the production performance of industrial plants—why have some plants adopted far better equipment and methods than others? Certainly one of the reasons must be that many people either do not know what can be done with improved methods, or else they aren't sold.

And that gets us immediately into one of the great opportunities for improved selling—and that is improved sales training. We have all seen or heard of the misapplications of industrial equipment under the impetus of uniformed sales pressure. Alert sales management is recognizing that in the long run its own best interests depend upon recommending the right piece of equipment for the particular job at hand. And this means that our sales staffs must possess a high degree of engineering as well as sales ability.

It goes without saying that our most important lines of communication between the manufacturer of goods and his customers must be equally efficient. I refer to advertising.

The turnover in industry in the post-war period will be unlike anything we have ever known before. In addition, many of the plant men whom we shall have to sell have never been brought up in an atmosphere of cost saving. They have been trained during the war in an atmosphere of getting it out at any cost. Many of the men whom we shall have to sell in the future—and I hazard the guess that probably the best and most alert—are now working for Uncle Sam. To sell all these will be a tremendous job that cannot be done alone by hand methods. We shall have to employ efficient mass selling. And I should like to leave this one thought with you about advertising and mass selling, and I say it advisedly after having studied much of the literature of materials handling. It is the first principle of good advertising: No advertising can possibly help the seller unless it first helps the buyer—by giving him information he wants and needs.

May I suggest that you put your advertising and sales literature to that test?

Advertising as a Help to the Buyer

We cannot possibly do our job as a group if we don't use every available means at our disposal to see that the benefits of our products are extended to as many people throughout all industry as possible.

However, there is another challenge that faces all manufacturers of cost-saving machinery. I think it is even greater than the engineering or selling challenge—and that is the challenge of education. If in the end we are to preserve the system of American free enterprise based on a high-wage, low-cost, job-producing philosophy, then we must sell that philosophy to the layman, and especially to the worker. And whether we believe it or not, or whether we like to believe it or not, that idea has not been sold—and, if it is not sold, some other philosopy will prevail and we shall have lost our opportunity to establish this type of economy.

I know of no group of manufacturers who have a greater responsibility in the educational job that must be done than the manufacturers of materials handling equipment. In the popular conception, you are regarded among the leaders of those who destroy jobs, despite the fact that few groups have done so much to create jobs.

Earlier, I said that the increased productivity per man-hour which has so greatly raised the workers' standard of living has not been achieved *by* the worker, but *for* the worker. *In all America, there probably isn't a basic truth which is so little understood.*

What Labor Leaders Say

It would be untruthful to say that no progress has been made. Certainly many labor leaders understand that mechanization produces higher wages for workers.

Once you refused him credit
- - - *maybe he's sound now!*

There have been a lot of changes in financial status since 1942 — many of them for the better. A prospect whom you considered a poor risk a year ago may be a desirable customer today.

Here's an actual example:

A Credit Interchange member refused this debtor further credit in 1942. His paying record was like this:

CREDIT INTERCHANGE BUREAUS
NATIONAL ASSOCIATION OF CREDIT MEN
Executive Offices: One Park Avenue, NEW YORK, N. Y.
Central Bureau: 214 N. Sixth Street, ST. LOUIS, MO.

REG. U.S. PAT. OFF.

The accuracy of this Report is not guaranteed. Its contents are gathered in good faith from members and sent to you by this Bureau without liability for negligence in procuring, collecting, communicating or failing to communicate the information so gathered.

REPORT ON:

[redacted] [redacted] February 12, 1942

BUSINESS CLASSIFICATION	HOW LONG SOLD	DATE OF LAST SALE	HIGHEST RECENT CREDIT	AMOUNT OWING	AMOUNT PAST DUE	UNFILLED OR FIRST ORDERS	TERMS OF SALE	MANNER OF PAYMENT			COMMENTS
				INCLUDING NOTES				DISCOUNTS	PAYS WHEN DUE	DAYS SLOW	
LOUISVILLE 127-94											
Floor Cov	yrs	12-41	1225	289	289		2-10-60		x	60	
Seed	3-37	1-42	105	44			30			30	
Mill Sup	1937	12-41	76				2-10-30		x		
Hdwe	yrs	1-42	2467	1335	1050		60			60-90	
CINCINNATI 128-387											
House Furng	yrs	11-41	88	17	17		2-10-30			60	
INDIANAPOLIS 129-816											
Hdwe	yrs	1-42	1250	765	720		2-10-60			60-120	Unjust claims
Auto Acc	1939	6-41	235								Claim of $98.00 collected by Adjustment Bureau, N.A.C.M. - 12/41
Paint	yrs	1-42	450	300			2-10-30		x	30	
ST. LOUIS 128-519											
Hdwe	yrs	1-42	2128	1511	450		60-2-10			60	
MEMPHIS 129-214											
Stove	yrs	5-41	199							45-60	
Elec	11-40	1-42	35	20			2-10-30	x			
				4281	2526						

Recently he ordered another Credit Interchange report. Here's what it showed —

CREDIT INTERCHANGE BUREAUS
NATIONAL ASSOCIATION OF CREDIT MEN
Executive Offices: One Park Avenue, NEW YORK, N. Y.
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REG. U.S. PAT. OFF.

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REPORT ON:

[redacted] [redacted] September 6, 1944

BUSINESS CLASSIFICATION	HOW LONG SOLD	DATE OF LAST SALE	HIGHEST RECENT CREDIT	AMOUNT OWING	AMOUNT PAST DUE	UNFILLED OR FIRST ORDERS	TERMS OF SALE	MANNER OF PAYMENT			COMMENTS
				INCLUDING NOTES				DISCOUNTS	PAYS WHEN DUE	DAYS SLOW	
INDIANAPOLIS 823-189											
Elec	2-yrs	8-44	106	43			2-10-30		x		
Hdwe						300					
LOUISVILLE 824-347											
Hdwe	yrs	8-44	487	221			2-10-60	x			
Hdwe	6-39	8-44	1865	631			60-2-10	x			
Seed	3-37	8-44	375	101	45		30		x	30	
Mill Sup	yrs	7-44	264				2-10-30	x			
ST. LOUIS 824-785											
Hdwe	yrs	8-44	697	188			60-2-10	x			
Paint	12-43	7-44	320				2-10-30	x			
CHICAGO 824-1436											
Mach	6-42	8-44	1150	1100			30	x			
I & S	1-44	6-44	275				2-10-30		x		
				2284	45	300					

Nine creditors reported that the debtor was now discounting bills or paying when due, with all but one of them . . . *Within a week he had a $300 order from this merchant.* . . . This member writes: "We have had some pretty startling examples of the advantages of this procedure in the last few months."

"For Service Only"

Why not check up, through Credit Interchange, on accounts you formerly sold? You may find many worth-while customers in the resulting reports.

★ ★ ★

CREDIT INTERCHANGE BUREAUS NATIONAL ASSOCIATION OF CREDIT MEN ORGANIZED VIGILANTIA 1896

REG. U.S. PAT. OFF.

Offices in more than 50 principal cities.

Credit Interchange Bureaus
NATIONAL ASSOCIATION of CREDIT MEN
1154 Paul Brown Building ST. LOUIS 1, MO.

NEWS ABOUT CREDIT MATTERS

A section devoted to Credit Association affairs

February, 1945

Copy deadline 10th of Month

New Bills Introduced in Congress Would Postpone Anti-Trust Act

Decision by the United States Supreme Court that Insurance is Inter-state business and subject to the provisions of the Sherman and Clayton Anti-Trust Act are again before the Congress. Bills introduced by Senator Joseph C. O'Mahoney (Dem., Wyo.) would exempt the insurance business from provisions of the Sherman and Clayton Anti-Trust Act until March 1, 1946. Another bill by Senator Homer Ferguson (Rep., Mich.) would extend the exemption until July 1, 1948.

An exchange of letters between Senator George L. Radcliff, (Dem., Md.) and President Roosevelt brought out the fact that the President was in favor of the postponement until July, 1945, as covered by the O'Mahoney bill.

The National Association of Insurance Commissioners, it is understood, has been working on a proposed bill designated to overcome uncertainties which have arisen since the decision of the U. S. Supreme Court last Spring.

It will be recalled that the National Insurance Committee of MACM went on record in 1944 as opposing Federal regulation of Insurance and declaring that the Insurance business in general should not be considered Interstate Commerce. The declaration favored the continuance of the long standing plan of leaving the regulation of the Insurance business under state law.

David A. Weir Speaks at Dinner Meeting of Chattanooga Assn.

Chattanooga: David A. Weir, Secretary and Assistant Executive Manager of the National Association of Credit Men spoke at the January 23 Dinner Meeting of the Chattanooga Association of Credit Men. Mr. Weir's subject was "What's Your Plan." The report on membership activities was made by C. Callaway, Jr., and Paul J. Viall, Chairman of the Legislative Committee, reported on the progress made on Par Clearance Legislation.

Natl. Board Votes to Postpone Credit Congress Slated for May

ATTENTION! CREDIT MANAGERS

Does your company use a Salesmen's Credit Manual? If so, will you please send a copy of your salesmen's Credit Manual to the editor of Credit and Financial Management. We hope to have an article on this important subject in a nearby issue of the magazine and would like to compare different salesmen's credit manuals so as to bring out as many points as possible as to how this work is handled.

So if your company has a salesmen's credit manual, or if you know of a company in your organization which uses this method of getting credit information, won't you pass the word along to the editor of Credit and Financial Management, 1 Park Ave., New York 16, N. Y.

Bill Would Establish Commission on Taxation

A bill has just been introduced in the House of Representatives (H.R. 1410) to establish a commission on taxation. The tenor of this bill follows quite closely the resolution passed on by the National Committee on Taxation of NACM. The bill provides for a commission to compile, analyze and report on over-lap and conflict between federal, state and local government levies. The commission, according to the bill, would be authorized and directed to recommend a program to unify the entire tax structure of the nation. The proposed bill would have the commission composed of two members of the Senate, two members of the House and 10 members to be appointed by the President, one each from the following governmental and economic groups: the U. S. Treasury, state government, local government, home ownership, agriculture, labor, urban real estate, manufacturing, commerce and education.

Transportation and Hotel Situation Is Cause for Action

The 50th Annual Credit Congress of the National Association of Credit Men which had been scheduled for New York City on May 22 to the 25th has been postponed until improved war conditions bring a change in the present situation as regards transportation and hotel accommodations. This decision was made on Jan. 10 by a telegraph vote by the National Board of Directors of the National Officers of the Credit Men's organization.

This decision to postpone the Credit Congress was made in spite of the fact that the national conventions of this organization since the war started have been devoted to the credit problems connected with war activities. Companies represented in its more than 21,000 membership are largely engaged in war production.

The vote to postpone the National War Credit Congress was taken at the suggestion of the Executive Committee of the New York Credit Men's Association, which had been designated as the host for the 1945 Credit Congress. The Executive Committee of the New York Association recommended that "in view of the unsettled emergency war conditions, we respectfully and regretfully recommend to the Board of Directors of the National Association of Credit Men that the Credit Congress scheduled for New York in May be deferred until such time as war conditions are such that it is advisable to hold it."

The recommendation by the New York Credit Men's Association was made after consideration of the war conditions and a canvass of the transportation situation and crowded housing facilities.

It had been expected that this year's War Credit Congress of the National Association of Credit Men would draw an attendance of about 2500 of the financial executives of the larger manufacturing and jobbing organizations throughout the nation.

Washington Service on Govt. Contracts May Save You Cash

A member recently brought to the attention of the Washington Service Bureau a claim under a supposed Government contract which it was found had never been executed. Has your company accepted an order under a Government contract without determining, from official records, if the contract was bona fide? Have you been certain the contract covered a Federal project, not a municipal one, which may be Federal-insured or aided, and not subject to the provisions of the Miller Act? The latter will increase markedly as, in the future, the public works program gets in full swing.

In reply to a report on a contract under which the Miller Act was waived, a member stated, "Under the circumstances we are demanding sight draft terms on shipments."

The reports contain amount of the contract, dates of award and completion, basis of award, amounts of performance and payment bonds and name of the surety company. They are accurately and promptly rendered by an experienced staff. Inquiries should include the contract number, name of contractor and location of the project.

As the Washington Service Bureau is supported by means of contracts with Associations and individual member companies, a charge reflecting the time and effort required in a particular case is made for reports to non-contracting members.

Address the Washington Service Bureau of the National Association of Credit Men, Suite 815 Bowen Building, Number 815, 15 St., N. W., Washington 5, D. C.

Boston Chapter to Mark 25th Year at Anniversary Program

Boston: The Boston Chapter, National Institue of Credit will celebrate its 25th anniversary on February 27 by a joint meeting with the Boston Credit Men's Association at Schrafft's, Boston. William Sutcliffe, Dean of Boston University School of Business Administration will be the principal speaker. All past presidents have been extended an invitation to dinner to help make this occasion a gala affair.

Credit Conference Of Confectioners and Food Group on Feb. 9th

Chicago: The seventh annual Midwest Food Manufacturers and Manufacturing Confectioners Credit Conference is set for Friday, February 9, at the Stevens Hotel, Chicago. There will be morning and afternoon sessions with the usual luncheon program at noon.

Wedding Bells!

San Francisco: Owen S. Dibbern, former Manager, Western Division, NACM, and at present Credit Manager of the Paraffine Companies, San Francisco, was married on December 30 to Miss Alyce Mitchel. The wedding took place at the Del Monte Lodge at Carmel - by - the - Sea, California. Miss Mitchel was a former secretary in the Western Division office. Both were widely known throughout the Pacific Coast area.

Joseph Rubanow Urges Credit Courses as Way to Boost Profession

Binghamton: Joseph Rubanow, Vice-President of National Association of Credit Men, representing the Eastern Division and a Vice-President in charge of the 43rd St. and Eighth Avenue Branch of the Manufacturers Trust Company, was a speaker at the January 10 Meeting of The Triple Cities Association of Credit Men, the subject being "The Credit Executive's Place in the Community Today." Mr. Rubanow, who was one of the organizers and a first President of the New York City chapter of the National Institute of Credit, stressed the benefits of special study courses for those engaged in credit office positions and especially urged refresher courses for the top executives.

E. B. Moran Speaks at Duluth, St. Paul

St. Paul: E. B. Moran, Manager Central Division of the National Association of Credit Men, spoke before a joint meeting of the St. Paul Association and the Sales Managers Association on Wednesday, January 17. He also spoke at Duluth before the Duluth-Superior District Credit Association on Tuesday evening, January 16. His subject at both meetings was "Sales and Credit Department Coordination for Maximum Distribution."

P. M. Millians Speaks at Milwaukee Dinner

Milwaukee: Paul M. Millians, Vice-President Commercial Credit Corporation of Baltimore, spoke at a joint meeting of the Wholesale Credit Women's Club and the Milwaukee Association of Credit Men held on January 16 at the Hotel Schroeder. Mr. Millians' subject was "Government Debt and Free Enterprise."

Henry H. Heimann Addresses Central Iowa Group Jan. 18

Des Moines: Capt. Henry H. Heimann, Executive Manager of the National Association of Credit Men, was the speaker at the January 18 meeting of the Central Iowa Unit of the National Association of Credit Men held at the Younkers' Tea Room. Capt. Heimann, who was recently placed on the inactive list after more than two years' service in the United States Naval Reserve, discussed some of the credit problems facing business for the remainder of the war and after peace day arrives.

Secretary Don Nieman has made so many wagers on the results of the Membership Campaign in the Des Moines area that he is now "Making a Book." The Des Moines quota at the start of the campaign was for eleven new members. Up to the turn of the year twenty-five new members have been obtained and Secretary Don is making bets on an even further increase before the end of the Association year.

Vic Eggerding Heads Red Cross Drive in Downtown St. Louis

St. Louis: Appointment of Victor C. Eggerding, general credit manager of the Gaylord Container Corporation, as chairman of the Downtown Division of the fourth annual Red Cross War Fund campaign was announced on Jan. 16 by Walter Boehmer, general chairman. The drive which has a goal of $2,740,000, will open March 1. Eggerding, who will head a force of 400 volunteer workers, will be assisted in the drive by Mrs. Charles M. Rice, 1 Oak Knoll, as vice-chairman. Mrs. Rice is a member of the board of directors of the St. Louis Chapter, American Red Cross, and serves as vice-chairman of Volunteer Special Services.

Construction Machinery Group to Meet Feb. 21-22

Chicago: A two-day conference of the National construction machinery credit group of The Chicago Association of Credit Men will be held at the Drake Hotel in Chicago, Wednesday and Thursday, February 21 and 22. This will be the annual mid-winter conference of the group. Following are the members of the executive committee who will be in charge of the proceedings: Oscar Held, Sterling Motor Truck Company, Milwaukee, Wis., Chairman, Orin J. Greiwe, Lima Locomotive Works, Lima, Ohio, K. W. Cooke, Davey Compressor Company, Kent, Ohio, Urban Hipp, Barber-Greene Company, Aurora, Ill., and E. W. Butler, Jaeger Machine Company, Columbus, Ohio.

Credit Men's Fraternity Reports Excellent Record of Accomplishments

New York: The fifth annual report of the Credit Men's Fraternity, Inc., for the year closing December 1, 1944, shows an excellent record of accomplishment for this organization, affiliated with the New York Credit Men's Association. The report indicates that since its organization in 1940 the Credit Men's Fraternity, Inc., has placed a total of 495 applicants for credit office positions. During that period a total of more than $10,000 has been spent on the temporary relief for unemployed credit men. The report also shows a balance of $33,427 on hand at the start of the present year.

Henry Meckauer, who has served as President of the Credit Men's Fraternity since its inauguration, retired at his own request and Paul E. Hunter, Pacific Mills, was named President of the Fraternity for the forthcoming year. Readers are urged to look on page two of the current issue of Credit and Financial Management where Mr. Heimann, our Executive Manager, summarizes the excellent work of the Credit Men's Fraternity in this month's editorial.

Golieb Speaks About Postwar Credits at New Jersey Dinner

Newark: David E. Golieb, treasurer of the International Handkerchief Co., was the speaker at the January 22 meeting of the New Jersey Association of Credit Men held in the Cabin Room of the Hotel Sheraton. Mr. Golieb spoke on "War and Post-War Credit Management." The New Jersey Credit Women's Club attended this meeting as a part of their regular January session. Following the address by Mr. Golieb, R. T. Allen, Grammer Dempsey and Hudson, Inc., E. G. Maihack, Ernest G. Maihack Company, and Henry Dolch, Lincoln National Bank, conducted a panel discussion of the points brought out in Mr. Golieb's talk. The next meeting of the New Jersey Association will be held on February 27 at the Robert Treat Hotel with a dinner at 6:30.

Tri-State Conference At Cedar Rapids Is Postponed Till Later

Cedar Rapids: The Tri-State Conference which had been scheduled for this City on February 22 and 23 has been postponed for the same reason as caused the postponement of the National Credit Congress—transportation difficulties and lack of hotel facilities.

W. C. King Is New Utica President

Utica: The Utica Association of Credit Men is carrying on since the death of Larry Malchow under the leadership of Wesley C. King, Utica Mutual Insurance Company. The death of Larry Malchow was a decided shock to all the credit executives not only in Utica but in the upstate New York area, where he had been prominent in credit circles for some time. President King has already announced plans for a continuance of the policies inaugurated by Mr. Malchow. It is hoped the local association will meet and pass its new membership quota before the first of May.

Emmett Barbee to Be Married on Feb. 23rd

Oklahoma City: Early in January the *Daily Oklahoman* carried the announcement of the forthcoming marriage of Miss Mary Ella Steenrod to Emmett Elias Barbee on February 23. Mr. Barbee will be remembered as the former Secretary and Manager of the Oklahoma Wholesale Credit Men's Association and for the past three years has been Secretary and Manager of the Oklahoma City Retailers Association. Mr. Barbee's fiancee has been Assistant Advertising Manager for the Kerr Dry Goods Co. of Oklahoma City for the past year and a half. Many friends of Emmett Barbee in NACM will extend congratulations and good wishes.

Paper Packagers to Meet in Chicago Feb. 15

Chicago: As a result of the meeting of representatives of paper packaging companies located in various parts of the country at the Stevens Hotel in Chicago, December 14, the National Paper Packaging Credit Group has been formed and will hold its first group meeting Thursday, February 15, at the Morrison Hotel, Chicago. An interesting program is being prepared. The meeting is held under the direction of the executive committee consisting of Emmett Below, The Menasha Products Company, Division of the Marathon Corporation, Menasha, Wis., Chairman; E. Wylie, Container Corporation of America, Chicago; Clarence D. Pratt, Sutherland Paper Company, Kalamazoo, Mich.; Max W. Mallin, Milprint, Inc., Milwaukee, and F. C. Heath, Sealright, Inc., Fulton, N. Y.

W. T. Stewart Named President of N. Y. Paint & Allied Group

New York: Willard T. Stewart, credit manager of Benjamin Moore & Company, was elected president of the Paint & Allied Industries Credit Association at the annual meeting held Wednesday evening, January 17.

Mr. Stewart has been identified with the Paint & Varnish Industry for many years . . . a very active and popular credit representative at Paint & Allied, serving as director for several years, 2nd vice-president in 1943 and 1st vice-president in 1944.

Other Paint & Allied officers and directors elected for 1945 were: 1st Vice-President, Theodore H. Kleine of Hilo Varnish Corp.; 2nd Vice-President, A. Fuchs of National Lead Co.; Treasurer, William Rohs of Colonial Works, Inc.

Retiring President, Jerome A. Monasch, was presented with a beautiful pen and pencil set as a token of the appreciation of his services for the past year.

Acme Shellac Products Co. of 108 Blanchard Street, Newark 5, New Jersey, was elected as the first new 1945 member.

Les Fishbeck Named Zebra SuperZeb

In an effort to revive national interest in the Royal Order of Zebras a mail ballot was recently conducted resulting in the election of Les Fishbeck of Los Angeles Herd No. 1 as Grand Exalter SuperZeb.

Les has long been active in Zebradom and is Past SuperZeb of the Los Angeles Herd, where he has several times taken top honors in securing memberships. He is sincere in his belief that Zebra activities have been and can again be a potent factor in National Membership activities.

All local herds will soon be hearing from Les as he has some interesting plans.

Los Angeles: On the night of December 8, the Los Angeles Herd of the Royal Order of Zebras held their Christmas meeting, which was devoted to the new drive being launched by the Zebras for the purpose of securing members to participate in Credit Interchange and Adjustment Bureau services in addition to their regular work of assisting the membership chairman. Grand Exalted SuperZeb Les Fishbeck, on behalf of the Herd, presented Lew Ashby, the Past SuperZeb, a jeweled Zebra Pin, in recognition of his untiring efforts and work during the past year. The meeting concluded with an interesting program of entertainment and with high hopes that the coming year will be a most successful one.

Rickenbacker Will Speak at New York's Golden Anniversary

New York: Members of the New York Credit Men's Association are looking forward to the evening of February 6 when the Fiftieth Annual Meeting and Banquet of this the largest affiliated organization in NACM will be held at Hotel Commodore.

The speakers for this golden anniversary will be Captain Eddie V. Rickenbacker, President of Eastern Air Lines, Inc., and John B. Kennedy, Blue Network Commentator. A short address will also be given by Nash S. Eldridge, President of the New York Association, who will review the activities of the Association for the past year.

New Association Officers

New Haven: Merle W. DeWees, Secretary of the New Haven Taxpayers' Research Council spoke at the January 17 meeting of the New Haven Association of Credit Men. Their dinner was served at the Union League Club. Mr. DeWees explained what was the objective of the New Haven Taxpayers' Research Council and why it had an important place in the general business picture.

Houston: P. M. Terrill, Lane-Wells Company, Houston, has been elected President of the Houston Association of Credit Men, his term starting on December 1, 1944.

Waterloo: V. Spalding Miller, Waterloo Savings Bank, is the new President of the Waterloo Association of Credit Men. Robert Pritchard, Waterloo Mills Co., has been chosen as Vice-President and C. L. Martin, Waterloo Fruit & Commission Co., has been named as Counsellor of the Association.

Kansas City: With a slogan of "100 more in '44" the Kansas City Association of Credit Men is carrying on with an active membership campaign. The next meeting of the Association scheduled for February will be under the direction of Mr. Bailey of the Program Committee.

New Orleans: J. Henry Warner, Kohlmann Bros. & Sugarman, Inc., has been elected President of the New Orlens Credit Men's Association, T. J. Adams, The Times Picayune Publishing Co., has been named Vice-President, and Past President R. A. Piske of Jaubert Brothers, Inc., has been named Association Councilor.

Birmingham: E. W. Strange, Lone Star Cement Corporation, was elected President of the Alabama Association of Credit Men at the Jan. 16 meeting of the Association. W. L. Knowlton, McKesson & Robbins, Inc., was named Vice-President, and M. E. Wiggins, Alabama Power Company, was elected Treasurer.

Our Distaff Side

New York: The December meeting of the New York Credit Women's Group was held on Tuesday evening, December 4, 1944.

Dr. Mirra Komarovsky, instructor in Sociology at Barnard College was the featured speaker. Dr. Komarovsky was at one time Assistant Professor of Sociology at Skidmore. Among her published works is "The Unemployed Man and His Family."

Her subject, "The American Women Today and Tomorrow" was presented in a very interesting way. She said that the road for women is strewn with inconsistencies and she endeavored to give a blue print to solve some of the problems which would confront business women in the not too distant future. There was a very large attendance of women at the meeting, since the speaker is well known in the East.

It was decided to forego the Annual Bridge and Tea which was usually held to raise funds for the Helen Pouch Scholarship. Instead, each member of the group has contributed $1.00 to the Scholarship Fund. In this way it was thought that the same amount would be realized as was made on the affair last year.

Los Angeles: The Credit Women's Club of Los Angeles had a gala Christmas party this year, which was one of the best ever given. There were about 90 people present, including the wives of the President, Vice-President and Secretary of the Association, and the wife of the National Director from Los Angeles. The tables were beautifully decorated with flowers and candles, a Christmas tree stood at the end of the banquet room, garnished and bright, and loaded with presents.

Cleveland: The Cleveland Credit Women held their January meeting at the Fischer Rohr Restaurant and despite bitter cold weather there was the usual good attendance. The guest speaker of the evening, Grant Stone of the Cleveland Press, spoke of the work of the Committee for Economic Development in Cleveland. In order to have full employment after the war it will be necessary he stated to have a 40% increase in production as compared with before the war. The problem however will not be one of production but rather of distribution. That is where credit people fit into the picture, Mr. Stone pointed out.

Minneapolis: The Minneapolis Wholesale Credit Women's Club held one of the most outstanding meetings of the year on January 9 when they had as Guest Speaker, Paul M. Millians, Vice-President of the Commercial Credit Corporation of Baltimore, Maryland. Mr. Millians spoke on the subject, "New Tides on the Credit Beach." Officers and Directors of the Minneapolis Association were guests of the club at this session which was also attended by the Credit Women of St. Paul.

Chicago: At the regular monthly dinner of the Credit Women's Club of Chicago, Tuesday evening, January 9, George De Husvar, a member of the faculty of the University of Chicago and a well known author and political scientist, spoke on the subject, "The Dumbarton Oaks Conference." The dinner was held at the Central Y.M.C.A. in La Salle Street.

Bridgeport: The Bridgeport Credit Women's Group held their January meeting and installation of officers on Monday, January 15. Miss Lillian Guth, chairman of the National Credit Women's Executive Committee acted as installing officer. Alford Bennett, President of the Bridgeport Credit Men's Association addressed the group, and gave them an inspiring talk on the fundamentals of credit. Other guests at the meeting were Marie Ferguson, secretary of the National Credit Women's Executive Committee, and Mr. William Samuelson of the Bridgeport Brass Company, and a Director of the Bridgeport Association, who also addressed the group, and congratulated them on their organization and progress.

Binghamton: The Board of Directors of the Triple Cities Credit Women's Club has decided on a plan for awarding three scholarships in credit subjects. The announcement by the Board regarding these awards is as follows: "For a period of five years, three girls will have their tuition paid by our club for the course given in education—this course to be approved by the National Institute of Credit (the educational division of the National Association of Credit Men)—allowing credit toward a fellowship award. The name of each and every member of our club will be put in a hat and the first three names drawn will be the ones that have the honor of taking the course."

Philadelphia: Carleton A. TerBush of The Atlantic Refining Company was the speaker at the Jan. 11 meeting of the Philadelphia Credit Women's Club. Mr. TerBush's topic was "Uncle Sam, Bridegroom." Miss Sarah B. Cathrall, Blaisdell Pencil Co., and Miss Helen M. Zook, Real Estate Trust Company, were the hostesses for this program.

Syracuse: National Director F. Clifford Heath of Fulton, N. Y., spoke at the January 16 meeting of the Syracuse Credit Women's Club. His subject was "Know Your Association." Miss Peggy Long, Merchants National Bank and Trust Company, President of the Syracuse Credit Women's Club, presided.

Local Associations Affiliated In NACM

Listed by Cities and Giving Names of Associations, Their Secretaries and Official Addresses

AKRON, O.—Akron Credit Club (Br. of Cleveland A.C.M.); Secy.-Treas., H. A. Roseman, c/o Sacks Electrical Supply Co., 605 Main St. (11).

ALBANY, N. Y.—Eastern New York A.C.M.; Secy., Raymond D. Hilton, P. O. Box 725 (1).

ALBUQUERQUE, N. Mex.—Wholesalers' C.A. of New Mexico (Br. of El Paso); Dist. Mgr., H. V. Vance, 214 Korber Bldg., or P. O. Box 1334.

ALLENTOWN, Pa.—Lehigh Valley-Berks C.A., Inc.; Secy., J. H. J. Reinhard, 501-503 Hunsicker Bldg.

AMARILLO, Tex.—Tri-State A.C.M. (Br. of El Paso); Mgr., George G. Boyd. Send mail to Mrs. L. McGovern, Office Mgr., Capitol Hotel Bldg., P. O. Box 1820.

ATLANTA, Ga. — Georgia A.C.M.; Sec.-Mgr., Mrs. Carmen A. Dobbs, 508-12 Whitehead Bldg. (3).

AUSTIN, Tex.—Austin Wholesale C.M.A., Inc.; Secy.-Mgr., Horace C. Barnhart, 1103 Norwood Bldg., or P. O. Box 1016 (6).

BALTIMORE, Md.—Baltimore A.C.M.; Secy.-Mgr., George J. Lochner, 403-404 Abell Bldg., 5 South St. (2).

BELLINGHAM, Wash.—Bellingham A.C.M.; Secy.-Treas. & Mgr., W. F. Fisher, 520 Bellingham Nat'l Bank Bldg.

BILLINGS, Mont.—Montana-Wyoming A.C.M.; Secy.-Treas., M. J. Davies, 439-441 Stapleton Bldg., P. O. Box 1395.

BINGHAMTON, N. Y.—The Triple Cities A.C.M.; Secy., Miss Bess R. Havens, P. O. Box 1033-X.

BIRMINGHAM, Ala.—Alabama A.C.M.; Secy.-Mgr., W. C. Darby, 516 Lyric Bldg. (3).

BOSTON Mass. — Boston C.M.A.; Secy., Joseph M. Paul, 38 Chauncy St. (11).

BRIDGEPORT, Conn.—The Bridgeport A.C.M.; Clarence Kemp, c/o The Dictaphone Corp., 375 Howard Ave. (5).

BRISTOL, Va.—Tenn.—Bristol A.C.M.; Secy., Geo. D. Helms, P. O. Box 333.

BUFFALO, N. Y.—C.M.A. of Western New York; Secy.-Treas., Ira D. Johnson, 50 Court St. (2).

BURLINGTON, Iowa — Burlington A.C.M.; Secy.-Treas., Jesse L. Thomas, 614-616 Farmers & Merchants Bank Bldg.

CANTON, O.—Canton A.C.M., (Canton Chapter of the Cleveland A.C.M.); Secy., Lyle M. Denman, c/o Canton Provision Co., Carnaham Ave. N. E. (6).

CEDAR RAPIDS, Iowa—Cedar Rapids A.C.M.; Secy., Milo O. Hanzlik, 619 Higley Bldg.

CHARLESTON, W. Va.—The Charleston A.C.M.; Secy.-Treas. Ira W. Belcher, Rm. 400-1, 804 Quarrier St., or P. O. Box 926 (23).

CHATTANOOGA, Tenn.—Chattanooga A.C.M.; Secy.-Treas., G. Royal Neese, Suite 1124 Hamilton Nat'l Bank Bldg. (2).

CHICAGO, Ill.—The Chicago A.C.M.; Acting Secy., James S. Cox, 2100 Merchandise Mart, 222 North Bank Drive (54).

CINCINNATI, O.—The Cincinnati A.C.M.; Secy., Harry W. Voss, 722-725 Temple Bar Bldg. (2).

CLARKSBURG, W. Va.—Central West Virginia Credit & Adjustment Bureau; Secy., U. R. Hoffman, 408-9 Union National Bank Bldg.

CLEVELAND, O. — The Cleveland A.C.M.; Secy.-Mgr., Kenneth S. Thomson, 410 Leader Bldg. (14).

DALLAS, Tex.—The Dallas Wholesale C.M.A., Inc.; Secy.-Mgr., Paul A. Kerin, 1314 Wood St., Thomas Bldg. (1).

DAVENPORT, Iowa—Tri-City C.M.A.; Secy.-Treas., H. B. Betty, Lane Building.

DAYTON, O.—Dayton A.C.M.; Secy.-Mgr., Frank O. Hax; Acting Secy., Mrs. B. M. Harnish, 303 Eleven W. Mounument Bldg. (2).

DENVER, Colo.—The Rocky Mountain A.C.M.; Secy.-Mgr., J. B. McKelvy, Suite 626-35 810 14th St. Bldg. (2).

DES MOINES, Iowa—Des Moines C.M.A.; Secy.-Treas., Don E. Neiman, 1015 Valley Bank Bldg. (7).

DETROIT, Mich.—Detroit A.C.M.; Secy., L. E. Phelan, 302 Francis Palms Bldg., 2111 Woodward Ave. (1).

DULUTH, Minn.—Duluth-Superior District C.A.; Secy.-Treas., E. G. Robie, 401-402 Christie Bldg. (2).

ELMIRA, N. Y. Elmira A.C.M.; Secy., James E. Personius, 521-529 Robinson Bldg.

EL PASO, Tex.—Tri-State A.C.M.; Secy.-Mgr., J. L. Vance, 363 Myrtle Ave., P. O. Box 1946.

EVANSVILLE, Ind.—The Evansville A.C.M.; Secy., Victor Ahrens, 705 Hulman Bldg. (18).

FARGO, N. D. — Fargo-Moorhead A.C.M.; Secy.-Treas., Paul A. Lutgens, gens, c/o Fargo Paint & Glass Co.

FORT WAYNE, Ind.—Fort Wayne A.C.M., Inc.; Acting Secy., Mrs. E. Nord, 312 Transfer Bldg. (2).

FORTH WORTH, Tex.—Fort Worth A.C.M.; Secy., Wheeler Worley, 302 Worth Hotel (1).

FRESNO, Calif.—Fresno Chapter, Credit Manager Ass'n of Northern and Central California; Secy.-Mgr., Earle W. Fouts, 420 Mason Bldg., 1044 Fulton St. (1).

GRAND FORKS, N. D.—Grand Forks A.C.M.; Secy.-Treas., Oscar A. Odegaard, c/o Armour & Co.

GRAND RAPIDS, Mich.—Grand Rapids A.C.M.; Exec. Secy., Edward DeGroot, 602 Association of Commerce Bldg. (2).

GREEN BAY, Wis.—Northern Wisconsin-Michigan A.C.M.; Secy.-Mgr., R. C. Creviston, Rm. 1 Cady Land Co. Bldg., 206 Main St., P. O. Box 626.

HARRISBURG, Pa.—Cent. Penna. Div. of the Credit Men's Ass'n of Eastern Pa.; Chairman, James E. Jones, c/o Central Iron & Steel Co., S. Front St.

HARTFORD, Conn.—Hartford A.C.M.; Sec., R. J. Dwyer, c/o Phoenix Insurance Co., 30 Trinity St.

HONOLULU, T. H.—Honolulu A.C.M.; Secy., Alvin A. Smith, 316 S. M. Damon Bldg., P. O. Box 174.

HOUSTON, Tex.—Houston A.C.M.: Inc., Secy.-Mgr., R. E. Boeger, 919 M & M Building. (2).

HUNTINGTON, W. Va.—Tri-State A.C.M.: Secy.-Treas., C. C. Harrold, 228 First Huntington Nat'l Bank Bldg. (14).

INDIANAPOLIS, Ind. — Indianapolis A.C.M.; Exec. Mgr., Merritt Fields, Peoples Bank Bldg., 134 E. Market St. (9).

JACKSON, Mich.—Jackson A.C.M.; Secy., Lewis O. Atherton, 127 N. Wisner St.

JOHNSTOWN, Pa.—C.A. of Western Pennsylvania; in Charge of Office for Interchange, Miss Eva McCaffrey, 634 Swank Bldg.

KALAMAZOO, Mich.—C.A. of Southwestern Michigan; Secy.-Mgr., Geo. H. Martin, 207 Pythian Bldg. (9).

KANSAS CITY, Mo.—Kansas City A.C.M.; Secy., J. N. Ham, 104 E. 9th St., Waltower Bldg. (6).

KNOXVILLE, Tenn.—Knoxville A.C.M.; Secy., W. A. DeGroat, 411 Fidelity Bankers Trust Bldg., P. O. Box 2188 (12).

LANSING, Mich.—Lansing A.C.M.; Secy., Lawrence L. Kowalk, c/o Mill Supplies Corp., 316 E. Michigan Ave. (29).

LEWISTON, Idaho—Lewiston Wholesale C.A.; Secy.-Treas., Frank Morris, Rm. 307 Breier Bldg., P. O. Box 223.

LEXINGTON, Ky.—Lexington C.M.A. (under Louisville); Dist. Representative, Geo. C. Roberts, Sr., 401 Bank of Commerce Bldg. (31).

LINCOLN, Neb. Lincoln A.C.M.; Secy.-Treas. W. C. Steffensmeyer, c/o Sidles Co., 1228 P St., or P. O. Box 1226 (1).

LITTLE ROCK, Ark.—Little Rock A.C.M.; Secy., Mrs. Katherine E. Mosenthin, 219 Pyramid Bldg., 221 W. 2nd St.

LOS ANGELES, Calif.—Los Angeles Mgrs., C.M.A.; Secy., A. D. Johnson, 111 W. Seventh St. (14).

LOUISVILLE, Ky.—Louisville, C.M.A.; Secy.-Mgr., S. J. Schneider, 320 W. Main St. (2).

MEMPHIS, Tenn.—Memphis A.C.M.; Secy., E. C. Correll, P. O. Box, 344, or 802 McCall Bldg. (1).

MILWAUKEE, Wis.—The Milwaukee A.C.M.; Secy.-Mgr. Herman S. Garness, 715 N. Van Bruen St. (2).

MINNEAPOLIS, Minn. — Minneapolis A.C.M.; Secy.-Treas., Brace Bennitt, 502 Thorpe Bldg. (2).

MUSKEGON, Mich. — Muskegon A.C.M. (Br. of Grand Rapids); Secy.-Treas., Einer H. Larsen, c/o National Lumbermen's Bank.

NEWARK, N. J.—New Jersey A.C.M.; Secy.-Mgr., William H. Whitney, Rm. 800, 11 Hill St. (2).

NEW HAVEN, Conn.—New Haven A.C.M., Inc.; Secy., Mario Baldini, c/o Strouse-Adler Co., 78 Olive St., P. O. Box 1736 (7).

NEW ORLEANS, La.—New Orleans C.M.A.; Secy.-Treas.-Mgr., Fred L. Lozes, 1007 Queen & Crescent Bldg., Camp St. & Natchez Pl. (12).

NEW YORK, N. Y. — New York C.M.A.; Executive Mgr. & Secy., Raymond Hough, 354 Fourth Ave. (10).

NORFOLK, Va.—Norfolk Tidewater A.C.M., Inc.; B. W. Harris, c/o Twin City Tobacco Co., Inc., 916 E. Main St. (10).

OAKLAND, Calif.—Wholesalers C.A. of Oakland, Calif.; Secy., Kenneth C. Bugbee, 218 Central Bank Bldg., 14th & Bway. (12).

OKLAHOMA CITY, Okla.—Oklahoma Wholesale C.M.A.; Secy.-Mgr., M. D. Pemberton, 901-904 Cotton-Grain Exchange Bldg. (2).

OMAHA, Nebr.—The Omaha A.C.M.; Exec. Mgr., Gus P. Horn, 2nd Fl. Sunderland Bldg., 15th & Harney Sts. (2).

OSHKOSH, Wis.—Central Wis. A.C.M.; Secy.-Mgr., Charles D. Breon, 305 First Nat'l Bldg.

PARKERSBURG, W. Va.—Parkersburg-Marietta A.C.M.; Secy., Robert C. Lantz, 1045 24th St.

PEORIA, Ill.—The Peoria A.C.M.; Secy.-Mgr., Miss Edith M. Dunn, 309 S. Jefferson St. (2).

PHILADELPHIA, Pa.—The C.M.A. of Eastern Pa.; Secy., J. Stanley Thomas 714-16 Land Title Bldg., Broad and Chestnut Sts. (10).

PHOENIX, Ariz.—Wholesalers C.A. of Arizona; Secy.-Mgr., E. W. Langford, 132 S. Central or P. O. Box 3513 (2).

PITTSBURGH, Pa.—The C.A. of Western Pa., Secy. and Exec. Mgr., H. M. Oliver, 701 Commonwealth Annex (22).

PORTLAND, Ore. — The Portland A.C.M.; Exec. V.P. and Mgr., E. W. Johnson, 471 Pittock Block (5).

PROVIDENCE, R. I.—Rhode Island A.C.M.; Exec. Secy. Mgr., Henry T. Farrell, 87 Weybosset St. (3).

QUINCY, Ill.—Quincy A.C.M.; Secy., Wm. V. Petry, c/o Tenk Hardware Co., 121 S. 5th St.

RICHMOND, Va.—Richmond A.C.M., Inc.; Secy., Harry F. Boswell, 218 Travelers Bldg., P. O. Box 1178 (9).

ROANOKE, Va.—Roanoke A.C.M.; Secy.-Treas., H. W. Hobson, P. O. Box 2045.

ROCHESTER, N. Y.—The Rochester A.C.M., Inc.; Acting Secy., Mrs. Irma B. Mears, 34 State St., Suite 408 (4).

SACRAMENTO, Calif.—Sacramento-Stockton Chapter, Credit Mgrs. Assn. of Northern and Central Calif., Secy.-Mgr., C. J. Morrisey, 322 Forum Bldg., 9th & Kay Sts. (14).

SAGINAW & BAY CITY, Mich.—Northeastern Mich. Assn. of C.M.; Secy.-Treas., F. M. Carle, 212 N. Mason St.

ST. JOSEPH, Mo.—St. Joseph A.C.M.; Secy., H. M. Jones, c/o St. Joseph Railway, Light, Heat & Power Co. Sixth & Francis Sts. (2).

ST. LOUIS, Mo. St. Louis A.C.M.; Secy.-Treas. & Mgr., A. E. Fisher, 1204 Paul Brown Bldg. (1).

ST. PAUL, Minn.—St. Paul A.C.M.; Secy.-Treas., T. E. Reynolds, 512 Guardian Bldg. (1)

SALT LAKE CITY, Utah—Inter Mountain A.C.M.; Secy.-Mgr., Robert Peel, 1008 Walker Bank Bldg., P. O. Box 866 (10).

SAN ANTONIO, Texas—Wholesale C.M.A.; Secy., James Caldwell, 1017 Alamo Nat'l Bank. (1).

SAN DIEGO, Calif.—San Diego Wholesale C.M.A; Exec. Secy.-Mgr., Lawrence Holzman, 524 B Street, Suite 508.

SAN FRANCISCO, Calif. — Credit Mgrs. Ass'n of Northern & Central Calif.; Secy.-Mgr., O. H. Walker, 333 Montgomery St. (4).

SEATTLE, Wash.—Seattle A.C.M.; Secy.-Treas.-Mgr., C. P. King, 6th Floor Marion Bldg. (4).

SHREVEPORT, La. — Shreveport Wholesale C.M.A., Inc.; Secy.-Treas., John A. B. Smith, 214 Ardis Bldg. or P. O. Box 371, Shreveport, E. La.

SIOUX CITY, Iowa—Interstate A.C.M.; in charge of Office, Mrs. Ellen M. Crabb, P. O. Box 1260 or 327 Trimble Bldg. (7).

SIOUX FALLS, S. D.—Sioux Falls A.C.M.; Secy., R. C. Horky, 214 Security National Bank Bldg.

SOUTH BEND, Ind.—South Bend A.C.M., Inc.; Secy-Mgr., Kenneth A. Ball, 413 Pythian Bldg. (2).

SPOKANE, Wash. — Spokane Merchants' Ass'n.; Secy.-Treas., C. O. Bergan, 718 Realty Bldg. (8).

SPRINGFIELD, Ill.—Springfield A.C.M.; Secy.-Treas., Miss Eda Mueller, c/o Geo. A. Mueller Co.

SPRINGFIELD, Mass. Western Mass. A.C.M.; Secy., Allister R. Tulloch, 11 Court House Place (3).

SYRACUSE, N. Y.—Syracuse, A.C.M.; Secy., Newton D. Bartle, 224 Harrison St., Rm. 802 (2).

TACOMA, Wash.—Tacoma A.C.M.; Secy.-Mgr., G. G. Whipple, P. O. Box 1346 or 510 Perkins Bldg. (1).

TAMPA, Fla.—Tampa A.C.M.; Secy.-Mgr., Duval M. Smith, 311-315 Stovall Professional Bldg., P. O. Box 2128 (1).

TERRE HAUTE, Ind.—The Terre Haute A.C.M., Inc.; Secy., Miss Wanita Gilchrist, c/o Mid-Continent Petroleum Corp., Milks Bldg.

TOLEDO, Ohio—Toledo A.C.M.; Secy., O. E. Johnson, 316 Commerce Guardian Bank Bldg. (4).

UTICA, N. Y.—Utica A.C.M.; Secy., Irwin Evans, c/o Utica Credit Bureau, 8 Elizabeth St.

WACO, Texas — Waco Wholesale C.M.A., Inc.; Secy.-Treas., O. B. Lusk, 323 Pleasant St.

WASHINGTON, D. C.—Washington A.C.M., Inc.; Secy-Mgr., George H. Geiger, 815 15th St., N.W., The Bowen Bldg., (5).

WATERBURY, Conn. — Waterbury A.C.M.; Secy., Geo. E. Moseley, 27 Hillcrest Ave., Watertown, Conn.

WATERLOO, Iowa—Waterloo A.C.M.; Secy., Miss Helen Davis, 314 Insurance Bldg.

WHEELING, W. Va. — Wheeling A.C.M.; Secy., E. K. Pfeil, 204-205-206 Nat'l Bank of W. Va. Bldg.

WICHITA, Kans.—The Wichita A.C.M., Inc.; Secy-Treas., M. E. Garrison, 502-6 Bitting Bldg. (2).

WORCESTER, Mass.—Worcester County A.C., 311 Main St. (8).

YOUNGSTOWN, Ohio—The Youngstown A.C.M.; Secy., Bruce R. Black, 1206 Central Tower (3).